UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr.
GENERAL

TD/B/1300/Supp.2/Rev.1*
31 March 1992

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Feasibility study for an interregional trade financing facility for the exports of non-traditional goods of developing countries

Prepared by Multilateral Strategies, Inc. New York
in collaboration with the Division for Economic
Co-operation among Developing Countries,
UNCTAD secretariat

The report has been prepared in accordance with the work programme approved by the Committee on Economic Co-operation among Developing Countries at its fifth session (resolution 4 (V), para. 4 (C) (iii)).

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* Document TD/B/1300/Supp.2 was previously issued in English only.

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EXECUTIVE SUMMARY

The purpose of this study is to explore how to utilize international capital markets to provide trade finance to developing countries in support of export-oriented policies. Specifically, it considers how a new international trade finance facility (ITFF) might contribute to greater access to trade finance by LDCs, especially for non-traditional exports involved in South-South trade.

The ITFF, under the most realistic scenarios we have conceived, should within five years be able to provide between $1.4 billion and $7.9 billion annually of developing country exports. According to UNCTAD analysis, the financing need for developing-country exports ranges from $6.3 billion to $9.1 billion annually in the low case and $9.8 billion to $14.9 billion annually in the high case. Making the ITFF available would thus increase South-South trade by approximately six percent annually and meet up to 86 percent of the projected low-case annual need of $9.1 billion.

We expect that the ITFF will fund roughly half of its lending activity by a variety of borrowings, including time deposits (probably by shareholders), lines of credit, and bond issues. Of these sources, the most difficult to obtain will be bond financing. By designing an institution that meets the criteria demanded in the bond market, the criteria of other markets will also be met. Therefore, we believe that the ITFF's financial and management policies should be designed to meet the definition of commercial viability used in the bond markets.

"Commercially viable" in this context thus can be defined as the ability of the ITFF to fund itself at affordable premiums in global capital markets. This means that (1) the ITFF will pay a return on bonds high enough to attract investors away from comparable bonds, but (2) low enough to guarantee sustainable operating profits for the institution. In other words, the ITFF should pay greatest attention to factors that will make its bonds as close to investment grade as possible.

The ITFF's lending and management policies should be constructed in a way that reflects these interests:

Types of Facilities and Financing

The ITFF should be involved in providing short-term and, to the extent feasible, medium-term trade finance to importers and exporters in developing countries. At the same time, for the ITFF to be successful it should not restrict its activities exclusively to non-traditional, South-South trade. It should rather restrict itself to exports from developing countries, with a clear preference for non-traditional goods and for South-South trade. Because of these particular characteristics of its portfolio, the ITFF should provide financing through a single "window."

Use of Guarantees

The ITFF should probably use guarantees only to enhance the assets in its portfolio. It should not issue guarantees of its own on loans extended by other financial institutions because this would create off-balance-sheet liabilities that would call into question the creditworthiness of the ITFF in the eyes of bondholders. Finally, it is unlikely that the ITFF could secure guarantees for its bond obligations since those entities that might issue these guarantees would have little reason to do so. (The ITFF might consider using callable capital as a basis for issuing guarantees to its creditors, but there are several reasons why this would be of little value.)

Risk Management

The ITFF should minimize credit risk by creating an effective counterparty and guarantor evaluation process, and by relying on country limits for its lending, as most financial institutions do. To assist in this process, shareholders would be required to set up independent local "focal points" that would initially process local applications for credit. Also, it should control its maturity risk by concentrating its lending activities in short-term facilities and extending medium-term credits only to the extent compatible with maintaining sufficiently high bond ratings in the markets. Further, the ITFF should avoid any foreign exchange risk. Finally, the ITFF should minimize its funding risk by matching maturities of assets and liabilities as closely as possible, and by relying on floating interest rate loans almost exclusively.

Country Coverage

The ITFF should consider financing exports only from shareholder countries, but the ITFF should ignore its shareholder representation in setting lending policies. Medium-term financing would be available almost exclusively to Class A countries because of market perceptions of lower-rated sovereigns, but it should seek to extend short-term financing, which is less risky to its portfolio, across as wide a range of countries as would be feasible.

Capitalization and Leveraging

Based on how other MDBs and trade finance institutions operate, the ITFF should utilize only paid-in capital and avoid callable capital. (The market may not ascribe much value to callable capital and related guarantees if they come primarily from developing-country shareholders.) The ITFF should be able to seek an eventual leverage ratio of between 5:1 and 10:1. Using the a forfait market could enhance the ability of the ITFF to leverage its resources.

Short-term versus Medium-term Lending

Another reality of markets is that the ITFF will have to concentrate primarily on short-term financing because this will guarantee the smallest possible risk profile for the institution as perceived in the bond market. This does not mean, however, that the ITFF cannot offer any medium-term financing, or that the ITFF cannot change *the character of its portfolio over time. Once its reputation is established, it will have more freedom to diversify the maturity profile of its lending.*

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The financial feasibility analysis, producing a base case of assumptions and ten scenarios testing the sensitivity of the base case to various changes, shows that the ITFF is profitable under all scenarios, and that return on total earning assets/forfait ranges between 1.0 percent 2.5 percent, higher than comparable figures for other multilateral institutions. The size of the capital base is key to the eventual size of the total portfolio: a doubling of the initial base produces a doubling of lending, with a decline in this 1:1 ratio thereafter as additional capital increments are added.

The collateral benefits of the ITFF are not captured in these projections but should not be overlooked. The existence and successful functioning of the ITFF would help stimulate other financing of non-traditional developing country exports. Other banks doing business with the ITFF, either by financing it or by purchasing paper through the a forfait market, would be led into this market, and might be tempted to do some business of their own.

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I. GENERAL ASPECTS

The purpose of this study is to explore how to utilize international capital markets to provide trade finance to developing countries in support of export oriented policies. Specifically, it considers how a new international trade finance facility (ITFF) might contribute to greater access to trade finance by LDCs (less developed countries), especially for non-traditional exports involved in South-South trade.

This paper has been prepared based on interviews with numerous market participants, and on analysis of market practices in trade finance. We have looked at commercial bank financing and the a forfait market to see how both can be employed. And, we have paid particular attention to BLADEX, the Banco Latinoamericano de Exportaciones, S.A., which is perhaps the closest model to what is being considered here. The discussion that follows, and the financial feasibility models that have been constructed, are based on current market practice.

Since our starting point has been market practice and market feasibility, we have developed a set of recommendations that are firmly grounded in market practice and that can address the need for financing non-traditional exports between developing countries. These recommendations can be easily adapted to different projections of financing needs and to different levels of capitalization.

The availability of trade finance to exporters has two dimensions. One is the domestic framework, which consists of the network of commercial banks, export credit agencies (ECAs) and export promotion programs that exist within each country. The other dimension is external, consisting of the ability of domestic entities--whether banks, government agencies or exporters--to gain access to external financing to finance exports.

This study deals exclusively with the external dimension; it does not address the many aspects of domestic programs, important as they are. There are, for example, many initiatives that countries can take to facilitate financing to their export sector. In particular, most countries could benefit from establishing or strengthening an export credit agency that would facilitate export financing to local exporters. Instead, we address how to take advantage of international capital markets to provide financing for exports, taking as a given whatever domestic institutional framework is in place.

There is a strong competitive reason for making trade finance available to exporters. Since most developed countries have adequate trade finance in place, new competitors are at a significant disadvantage if they cannot offer comparable financing when attempting to open up new markets.

Finally, we recommend using a broad conception of "non-traditional exports." Non-traditional exports are usually thought of as being manufactured goods. This may be too restrictive, however, since primary goods may often be non-traditional for some countries, even though they are traditional for others. The meaning of non-traditional should also be broadened to refer to non-traditional markets as well. Finally, existing sources of trade finance for traditional products into traditional markets are not as readily available for non-traditional markets. This is particularly significant when considering the potential of South-South trade, for which there is little financing capability in place at either the importing or exporting end.

A. THE NEED FOR AN ITFF

1. DEMAND FOR, AND SUPPLY OF, LDC TRADE FINANCING

UNCTAD has prepared a study that estimates the financing need for developing country exports. The analysis focuses on non-traditional exports and tries to estimate the need for financing non-traditional exports under alternative scenarios. According to that analysis, the need ranges from $9.8 to $14.9 billion annually on the high side, and $6.3 to $9.1 billion annually on the low side.

This compares to total South-South (i.e., developing countries to developing countries as defined by the IMF) exports of $232 billion in 1988. Total global exports in that year were $2,708 billion.

Virtually all of this trade is financed: private- and public-sector financial institutions offer various types of credit facilities to make trade possible. Total volume of trade finance available is thus closely equivalent to the total volume of trade; or, total volume of trade finance available to developing countries is on the order of some $230 billion annually, or eight percent of total global trade finance.

Using the UNCTAD "high case" estimates of projected need for non-traditional export financing, additional credit facilities for such exports would increase South-South trade by approximately six percent annually.

2. THE DEBT CRISIS CONTEXT

The debt crisis that began in 1982 has created a difficult context for LDC trade finance. In general, trade finance has been less affected by the debt crisis than has non-specific, medium-term finance, since most highly indebted countries have tried to service their trade obligations even while building up arrears on their medium-term debt. As a result, commercial banks have a generally more positive view of trade credits than medium-term lending and are often willing to consider granting trade credits even to countries that have arrears in their medium-term obligations.

But the super-imposition of country risk upon commercial risk means that a greater tolerance for trade finance may only be true in principle. A more general effect of the debt crisis has been to lead many banks to withdraw altogether from financing LDCs. This has been particularly pronounced among smaller banks but has also affected some of the larger banks, which have traditionally been active in this area. The result is an overall contraction of the financing market for LDCs, and this has an inevitable effect on the general availability of trade finance.

This contraction is particularly noteworthy for non-traditional exports and for South-South trade. A recent study published by the U.S. National Bureau of Economic Research found "limited capacity" within Latin America to develop intra-regional trade over the coming years. (See Sebastian Edwards and Miguel Savastano, "Latin America's Intraregional Trade: Evolution and Future Prospects," NBER Working Paper No. 2738.) The reason is not a bias against such transactions per se. Rather, international banks in the debt crisis have tended to return to their traditional banking principles, one of which is to stress client relationships. In trade finance, this leads them to prefer transactions involving a traditional client of the bank, who has other types of collateral business to offer. Many banks therefore prefer transactions in which transnational corporations (TNCs) based in developed countries are involved at one end of the transaction. Non-traditional exports and South-South trade typically will not involve TNCs, and hence will be less attractive even to those international banks willing to do trade finance.

3. NEW OPPORTUNITIES FROM GLOBALIZATION

At the same time, international capital markets have grown enormously in size and sophistication. The strong trend toward globalization of all economic activity has been particularly pronounced in capital markets. Thus while there has been a retreat by many banks from LDC financing, there are also potential opportunities resulting from the trends in capital markets generally.

There is a special problem with medium-term finance. Even banks active in trade finance in developing countries are often reluctant to take on medium-term risk unless there is an export credit agency guarantee from a developed country. This means the only medium-term buyer credit available to LDCs involves exports from developed countries. Potential exporters from other LDCs therefore have great difficulty competing because of their inability to offer financing to their buyers.

The result is that exports of traditional products to traditional markets can likely find requisite finance, but it can be difficult to find financing for expansion into non-traditional areas. As noted above, this not only means non-traditional products, but can also extend to exports of traditional products into non-traditional markets.

Consideration of an ITFF for LDCs is therefore very appropriate. On the one hand, there is a great need; on the other, buoyant and globalizing capital markets may create expanded opportunities for such an initiative.

B. DEFINING COMMERCIAL VIABILITY

We expect that the ITFF will fund roughly half of its lending activity by a variety of borrowings, including time deposits (probably by shareholders), lines of credit, and bond issues. Of these sources, the most difficult to obtain will be bond financing. By designing an institution that meets the criteria demanded in the bond market, the criteria of other markets will also be met.

Therefore, we believe that the ITFF's financial and management policies should be designed to meet the definition of commercial viability used in the bond markets.

"Commercially viable" in this context thus can be defined as the ability of the ITFF to fund itself at affordable premiums in global capital markets. This means that (1) the ITFF will pay a return on bonds high enough to attract investors away from comparable bonds, but (2) low enough to guarantee sustainable operating profits for the institution. In other words, the ITFF should pay greatest attention to factors that will make its bonds as close to investment grade as possible.

1. APPROPRIATE INSTITUTIONAL MODELS

To the extent that the ITFF will have backing from governments, bond markets will consider it a multilateral organization (the bond markets use the term "supra-national"). The ITFF will therefore compete in international capital markets against bonds issued by other multilateral development banks (MDBs) such as the World Bank, IDB, AsDB, and AfDB.

Important characteristics of MDBs that give them triple-AAA ratings:

- shareholders are predominantly triple-AAA rated industrial countries;
- MDBs follow financial and management policies that ensure high liquidity, consistent profitability, and a strong portfolio (minimal loan losses);
- World Bank and regional development banks follow one-to-one gearing ratios;
- virtually all loans from MDBs have guarantees from borrowing country governments;
- borrowing countries have granted MDBs the status of preferred creditor.

The MDBs are successful in global bond markets because of the following:

- strong capital bases;
- conservative management and financial policies by charter, including very low gearing ratios;
- very strong portfolios (i.e., very low loan losses, and borrower government guarantees on virtually all of their loans).

The strong capital bases of these supranationals mean that potential bondholders judge risk on the basis of the banks' capital rather than their assets.

These aspects of the institutions are simple, in the sense that they are straightforward management policies without conditions or qualifications that weaken them. And, they are transparent in that they are communicated clearly to the markets and consciously made central characteristics of the institutions.

2. HOW TO ACHIEVE COMMERCIAL VIABILITY

While the ITFF will be compared to these MDBs by potential bond investors, it will differ from them in important ways because of its different structure and particular lending goals. It is important to design the ITFF's management and financial policies to address these differences.

Distinctive features of the ITFF include:

- The ITFF will not have as strong a capital base as other MDBs because most of the ITFF's capital is likely to come from sovereign entities that themselves do not enjoy high credit ratings (i.e., developing countries). The MDBs, on the other hand, are capitalized primarily by countries with triple-AAA credit ratings. To the extent that these highly rated countries join the ITFF as shareholders, they would bring in more capital and improve its credit standing.

- The ITFF will operate on the basis of a higher gearing ratio than that used by other MDBs.

- The MDBs are required to secure guarantees from the borrowing countries for all of their lending. The ITFF will not necessarily be bound by this requirement even if it does seek such guarantees in many or most cases (the issue of guarantees is discussed in detail in section II.C. below).

- The ITFF will not enjoy, at least initially, the preferred creditor status that has been conferred upon virtually all of the other MDBs.

In the eyes of bond investors, these differences increase the risk of holding ITFF bonds as compared to those of other MDBs. In particular, the ITFF will be judged more on the strength of its loan portfolio than of its capital. (The other MDBs are distinctive in that their capital structure, and not their loan structure, make them attractive in the market.) The ITFF will have to make up for what it lacks in capital strength with sound financial policies and management.

C. IMPLICATIONS FOR AN ITFF

The ITFF's management policies should be constructed in a way that addresses both the similarities and differences between the ITFF and other MDBs.

1. TYPES OF FACILITIES AND FINANCING

The ITFF should be involved in providing short-term and, to the extent feasible, medium-term trade finance to importers and exporters in developing countries. At the same time, for the ITFF to be successful it should not restrict its activities exclusively to non-traditional, South-South trade. It should rather restrict itself to *exports from developing countries,* with a clear preference for non-traditional goods and for South-South trade. Because of these particular characteristics of its portfolio, the ITFF should provide financing through a single "window."

2. USE OF GUARANTEES

The ITFF should probably use guarantees only to enhance the assets in its portfolio; it should not issue guarantees of its own on loans extended by other financial institutions because this would create off-balance-sheet liabilities that would call into question the creditworthiness of the ITFF in the eyes of bondholders. Finally, it is unlikely that the ITFF could secure guarantees for its bond obligations since those entities that might issue these guarantees would have no reason to do so. (The ITFF might consider using callable capital as a basis for issuing guarantees to its creditors, but there are several reasons why this would be of little value--see sections II.C. and IV.C. below.)

3. RISK MANAGEMENT

The ITFF should minimize credit risk by creating an effective counterparty and guarantor evaluation process, and by relying on country limits for its lending, as most financial institutions do. To assist in this process, shareholders would be required to set up independent local "focal points" that would initially process local applications for credit. Also, it should control its maturity risk by concentrating its lending activities in short-term facilities and extending medium-term credits only to the extent compatible with maintaining sufficiently high bond ratings in the markets. Further, the ITFF should avoid any foreign exchange risk. Finally, the ITFF should minimize its funding risk by matching maturities of assets and liabilities as closely as possible, and by relying on floating interest rate loans almost exclusively.

4. COUNTRY COVERAGE

The ITFF should consider financing exports only from shareholder countries, but the ITFF should ignore its shareholder representation in setting lending policies. Medium-term financing would be available almost exclusively to Class A countries because of market perceptions of lower-rated sovereigns, but it should seek to extend short-term financing, which is less risky to its portfolio, across as wide a range of countries as is feasible.

5. TARGET VOLUME OF BUSINESS

The ITFF, under the most realistic scenarios we have conceived, should within five years be able to provide between $1.4 billion and $7.9 billion annually of developing country exports, or up to 86 percent of the projected low-case annual need of $9.1 billion.

6. CAPITALIZATION AND LEVERAGING

Based on how other MDBs and trade finance institutions operate, the ITFF should utilize only paid-in capital and avoid callable capital. (The market may not ascribe much value to callable capital and related guarantees if they come primarily from developing-country shareholders. The distinction between paid-in and callable capital is discussed in greater detail in section IV.C.) The ITFF should be able to seek an eventual leverage ratio of between 5:1 and 10:1.

D. BENEFITS OF A COMMERCIALLY-VIABLE ITFF

Developing countries generally would benefit enormously from the creation and successful operation of a commercially-oriented ITFF. If properly designed, such a facility would be able to mobilize significant capital resources from international markets to finance non-traditional South-South trade. It would make available financing capabilities in excess of what countries could do individually though their own export-promotion schemes. The ITFF should strive to complement rather than replace these schemes.

1. RISK-POOLING

For any large, diversified portfolio of loans, there is potential for pooling risk and therefore reducing the risk that the portfolio poses to the institution's capital base because it would be insulated from specific shocks that could occur in one or another market. This enables the institution to maximize access to the funds potentially available to finance this portfolio. The ITFF would provide risk-pooling advantages since it would have a large, diversified portfolio.

In the broad area of trade finance, there is great potential for risk-pooling because trade transactions by their nature are quite heterogeneous. When they are combined in a single portfolio, the aggregate risk of the portfolio falls rapidly. The same is not true for longer-term, general obligation loans.

2. ECONOMIES OF SCALE AND/OR COST ADVANTAGES

There is significant potential for economies of scale at the ITFF for one particular type of cost: the cost of information. The ITFF will require considerable information on counterparties that is not readily available. Once it has acquired this information, it can increase the volume of business with these counterparties by several orders of magnitude without requiring additional information (and thus additional costs of obtaining it).

For operating costs and the costs of borrowing, there is only modest potential to exploit economies of scale. The primary operating cost, salaries, will rise roughly in proportion of the portfolio. There are no significant scale economies to exploit on the funding side.

3. ACCESS TO FINANCIAL MARKETS AND TERMS OF PARTICIPATION

The ITFF would improve LDC access to financial markets for trade in three ways. First, there would now be a financial institution that would make trade finance available to LDC exporters and importers that were previously locked out of the trade finance market or would have to pay onerous terms to secure trade finance. In this sense, there is some "unbundling" of risk in that a potential recipient of credit is not automatically judged on the basis of the credit standing of the host country.

Second, exporters and importers that develop an ongoing relationship with the ITFF could improve their credit standing in the eyes of other financial institutions such as commercial banks, who might then be more willing to consider offering direct trade finance to these entities.

Third, exporters and importers from less creditworthy countries may benefit from the indirect association they would have with more creditworthy countries through their shared status as ITFF borrowers. Businesses in less creditworthy countries would be able to build their own credit records that are (1) independent of those of the host country, and (2) with an institution respected in the market. Each exporter or importer would have to meet obligations as a borrower irrespective of country of origin. This would help individual credit recipients enhance their credit standing even if the host government does not. Of course, the ITFF should abide strictly by its own lending standards as dictated by its needs in the market; this rationale should not be used to weaken the credit evaluation process.

The fact that the ITFF is operated according to commercial standards would enhance these effects. Access to financial markets would be enhanced because, since the ITFF will be commercially viable, it would be likely to last as an institution and thus not be at the mercy of the financial support of governments. Also, counterparties of the ITFF could benefit from the ITFF's commercial policies because the market may perceive them as better managed (more commercially viable) due to their link with a strong institution.

4. MARKET NICHE

The ITFF can clearly distinguish its lending and lending policies in the market. On the other hand, it should not be too different from other MDBs in its management and capital structure. In other words, it should not seek too distinct a profile if it is to retain the confidence of financial markets.

While such a facility would be analogous to other commercial entities currently operating, it would not duplicate their activities since its organizing principle and goal would be to finance non-traditional South-South trade. None of the other

MDBs offer trade finance facilities. (There are small institutions, such as BLADEX, that do offer similar facilities, but they are strictly confined to supporting regional transactions.) Thus, the ITFF would be distinct from other banks and financial institutions in the market and would fill a gap in the present structure of financing available to LDCs.

E. THE PROBLEM OF SHORT- VERSUS MEDIUM-TERM FINANCE

The purpose of establishing the ITFF in the first place is not primarily commercial, but rather to meet the development goal of stimulating non-traditional export activity among LDCs by providing trade finance. This produces two particular tensions for the ITFF.

First, developmental goals and commercial requirements may conflict because meaningful projects may not meet necessary commercial standards, regardless of the maturity of the financing.

Another related tension is that between the need to minimize risk in the portfolio and the desire to offer as much medium-term financing as possible.

There are two sources of risk for medium-term financing. The first is funding risk. If a large share of the ITFF's portfolio is locked into medium-term facilities, the institution's ability to react quickly to changes in the bond market is severely restrained because fewer assets are liquid enough to be rolled over into assets with new term structures. A more specific risk is that the kinds of projects that require medium-term financing are by their nature those that pose greater credit risk. Medium-term trade finance often involves transactions with more steps than those requiring short-term finance, for example when the transaction includes not only the shipment of the good but its actual production. Because a certain risk is associated with each step, the overall risk of medium-term financing is higher than for the typical short-term event.

Because the ITFF is unlikely to have all of the characteristics of management and capital structure that are particularly attractive about other MDBs, its lending portfolio will be particularly important in determining its access to financial markets and thus how much financing it is able to offer. The greater risks inherent in medium-term over short-term financing mean that the ITFF will not have the luxury of dealing primarily in medium-term financing such as the other MDBs provide for other purposes.

The primary goal of the institution should be to establish its reputation in the bond markets as early as possible to guarantee its long-term viability. The best way to establish its reputation early is to concentrate primarily on short-term financing because this will guarantee the smallest possible risk profile for the institution as perceived in the bond market.

This does not mean, however, that the ITFF cannot offer any medium-term financing, or that the ITFF cannot change the character of its portfolio over time.

Once its reputation is established, it will have more freedom to diversify the maturity profile of its lending.

There are a variety of ways in which the ITFF can increase medium-term lending over time. With any of them, however, there is an overarching criterion to maintaining market access. Since investors consider not only the present condition of an investment but also its likely future, the ITFF should take this into account by offering the greatest possible transparency about its own future. This includes making its intentions about the composition of the portfolio clear. One way to accomplish this is for the ITFF to establish strict guidelines from the beginning about how medium-term lending will evolve over time (i.e., how the proportions of the portfolio will change). This would offer the market maximum transparency and thus reduce the uncertainty the market would associate with a bond issued by the ITFF.

Another option would be to segregate the ITFF's capital base. This borrows a technique common in corporate finance. This would enable the ITFF to take on riskier loans without jeopardizing the credit standing of the bonds originally issued to finance short-term lending. The ITFF could thus segregate capital into two types. One type would back only short-term lending activity and would therefore be immune from risks inherent in the ITFF's medium-term lending. The other type would back this medium-term risk.

Another issue is that commercial considerations may make it impossible for the ITFF to offer medium-term finance to some countries even if it wished to do so. It might, however, be possible to offer them short-term finance. For example, this situation could apply to a Class D country (as defined in Appendix A) that exports a primary commodity but which has no businesses that could qualify for medium-term trade finance. In these cases, the ITFF providing short-term finance is an essential and significantly helpful aid to the countries' development.

The financial feasibility analysis for the ITFF developed below provides alternative realistic assumptions about the mix of short- and medium-term business. These range from a mix of 95 percent short-term/5 percent medium-term in the base case to 75 percent short-term/25 percent medium-term in a more aggressive scenario.

II. TYPES OF FACILITIES AND FINANCING

A. POSSIBLE TRADE SUPPORT FINANCING

Trade credit facilities can be distinguished along four different dimensions:

- whether the importer or exporter is being financed;
- the term of the facility (short-term or medium-term);
- the type of good financed (e.g., traditional or non-traditional);
- the creditworthiness of the counterparty.

1. EXPORTERS VERSUS IMPORTERS

The main function of the ITFF should be to support export promotion in LDCs, with special emphasis on exports to other LDCs. Hence, every underlying transaction financed by the ITFF should involve an export from an LDC.

This does not mean, however, that the ITFF would only finance exporters. Developing countries need financing both for importers and exporters. As explained below, post-shipment or buyer finance is a critical element in supporting exports, and LDC exporters need to be able to offer such financing to their buyers. The ITFF should thus finance both exporters, through pre-export finance, and importers, through buyer finance.

The critical condition is not who is being financed, therefore, but that the transaction being financed involve an export from an LDC. Therefore, the ITFF might offer import financing to a firm in an LDC if it is purchasing from another LDC, but not if it is purchasing from a developed country. Likewise, it might offer pre-export financing to a firm in an LDC if it is exporting to another LDC, but not if it is exporting to a developed country.

The market experience for both importer and exporter finance is similar for any given category of risk. Hence, the ITFF should not use as an operating criterion whether it is providing importer or exporter finance. It should provide both. The main operating criteria will be the risk and maturity structure of the portfolio and whether the transaction involves an export by a developing country. The ITFF should then seek both importer and exporter finance consistent with those criteria.

2. TERM OF THE FACILITY

The issues involved in deciding between short- and medium-term finance are discussed in detail in section I.E., above.

3. TRADITIONAL VERSUS NON-TRADITIONAL EXPORTS

Another principle of the ITFF will be to support non-traditional exports by developing countries. The ITFF should therefore concentrate on financing such trade.

But financing *only* non-traditional exports in South-South trade would be too restrictive. There are several reasons not to be so restrictive. While everyone generally knows what "non-traditional exports" means, there can be considerable variation in meaning from country to country. What is a traditional export good for one country may well be non-traditional for another, so one cannot rely on a definition solely by product.

Furthermore, countries differ in the degree of concentration in their traditional export sector. For a country with one traditional export representing nearly all its exports, it might be an exciting achievement to introduce any new product representing a small percentage of total exports. For a country with a diversified base of several traditional products, such an innovation might be considerably less exciting and less deserving of special support. Opening up non-traditional markets for traditional exports can be a valid and important goal of any export promotion program, and should be supported by the ITFF. In some contexts, this may mean exporting traditional goods to non-traditional markets. Hence, South-South trade may not necessarily entail "non-traditional" goods.

Finally, there may be a shortage of business for the ITFF if it is too restrictive in its non-credit criteria of what it is willing to finance. It would be counter-productive to go to the effort of organizing the ITFF and then tie its hands so much that it would find little business it can do.

This leads to the recommendation that the ITFF *prefer* non-traditional exports and South-South trade, but not be required to restrict its activities to those types of transactions. Such decisions should be left to management discretion and subject to regular board of directors and annual shareholder review. If the ITFF does not do an adequate job of financing non-traditional trade, the proper remedy would be more specific directives to management, and ultimately a change of management if necessary.

4. COUNTERPARTY CREDITWORTHINESS

The ITFF should strive to select as counterparties only those companies that enjoy the strongest financial standing, as evaluated initially by local focal points. (As part of this evaluation process, the ITFF would require shareholders to set up independent local "focal points," such as the central bank, that would initially evaluate local applications for credit.) This type of counterparty will pose the smallest risk. In addition, such firms are likely to be large and thus better known in the market, thus enabling the ITFF to make more responsible judgments about creditworthiness, and enabling the companies being financed to seek guarantees from other financial institutions.

It would be difficult for the ITFF to focus significant financing on smaller and less creditworthy companies even though these may be the ones manufacturing non-traditional goods. As with medium-term finance, the ITFF may be able later to expand its portfolio of more risky counterparties once it has established its standing in the markets and perhaps diversified its capital base.

5. RECOMMENDED TYPES OF FINANCING

In sum, the ITFF should offer financing that:

- does not distinguish between exports and imports so long as the transaction involves an export from a member developing country;
- provides both short- and medium-term finance, with the understanding that the volume of medium-term finance will be limited, particularly at the beginning, by the need to maintain ITFF's credit quality in the markets in which it borrows;
- prefers non-traditional exports but is not required to restrict its activities to those types of transactions;
- seeks the most creditworthy counterparties.

B. TYPES OF FACILITIES

With the criteria above in mind, there are several types of trade credit facilities that the ITFF can provide.

1. DESCRIPTION OF FACILITY OPTIONS

For at least the first five years of its existence, the ITFF should consider providing only basic types of trade finance, described below. It should avoid ancillary or exotic activities, such as offering its own guarantees or providing technical assistance. These would be viewed by potential bond investors as either contingent obligations whose risk is difficult to assess, or as a dilution of the ITFF's central mandate to provide trade finance.

Pre-export finance finances a supplier with an export order during his production period. In this respect, it is a form of working-capital finance, with the important condition that it be specifically linked to an export order. It is appropriate both to primary commodities and manufactured goods but is generally short term. **Warehouse financing** is a form of pre-export finance. It finances goods once they have been produced and are awaiting shipment in a warehouse.

Pre-export finance is typically done through an advance or a specialized letter of credit. It can be desirable when possible to create bankers' acceptances because these can sometimes be placed in the a forfait market. This would not always be feasible, however, because of the short-term nature of the transaction, or because of the uncertain maturity.

Post-shipment or buyer finance (including non-recourse discounting) would finance the goods once they have been shipped. This type of finance permits the exporter to offer payment terms to his buyers and is often a particularly important consideration in making export sales. It can be either short- or medium-term, depending on the goods involved.

Post-shipment finance is typically done through a letter of credit, or by issuing promissory notes. In either case, the ITFF should end up with clean, simple documentation, most of which would be in the form compatible with placement in the a forfait market. This does not, of course, mean that all paper would be placed in the a forfait market, but it would be desirable to operate the ITFF with this possibility in mind.

2. RECOMMENDED FACILITIES

a. General Lending Facilities

The ITFF should be open in principle to both types of export finance. Which it offers would vary depending on market conditions and the risk involved. The two main variables in this decision would be the country and the type of credit risk involved. It would be easier to offer pre-export finance in more creditworthy countries.

The ITFF should require bank guarantees for both exporters or importers. Management should also, however, have the flexibility to allow exceptions if a firm is able to justify pre-export or buyer finance in its own name through sufficient previous credit experience.

b. Structure of Windows

Most MDBs structure their lending windows (to use the terminology of the World Bank) around the rate of interest charged or the schedule of repayment. For example, the World Bank has windows that lend either at commercial interest rates or at concessional interest rates (i.e., the IDA).

The ITFF will have its own characteristics that shape the decision about financing windows:

> It will charge commercial rates of interest and will not, at least during the first five years, offer concessional financing (the IDA was not established until fifteen years after the creation of the World Bank and is funded from a different capital source).

- The ITFF will provide both short- and medium-term financing, but primarily short-term financing.

- The ITFF will provide only trade finance.

Given these characteristics, the ITFF will vary the terms and conditions of its financing at the level of individual transactions, not by broad categories of terms and scheduling. Furthermore, it will seek a single ideal set of terms and conditions for any transaction (as described above in section I.C.).

We believe therefore, that, because of the fundamental interest of the ITFF in maintaining a careful balance in its portfolio between short- and medium-term financing, and because the ITFF will be providing only basic types of trade finance, multiple windows are unnecessary. We recommend that the ITFF look for a model more toward commercial banks, which have a single trade finance "window" but vary the exact terms and conditions according to each transaction.

It may be possible for the ITFF to consider multiple windows later after it has established a healthy credit rating in the market. If it then chooses to deviate from commercial standards by distinguishing among countries or types of financing through the terms offered, it would still have to be careful not to jeopardize the overall condition of the portfolio as perceived in the market. For example, if the ITFF wishes to create a separate window to provide subsidies of one kind or another, it should endeavor to make this window as independent as possible from the original window (the IDA is an extreme example of this since the World Bank funds it through an entirely separate capital base).

Whatever the final structure of the facilities, the ITFF should standardize documentation related to credit applications, including the forms to be submitted, what information focal points must collect, the number of signatories and their responsibilities, and the legal standing of the documents generated.

C. GUARANTEES

In this section, we consider what kinds of guarantees are appropriate or available to the ITFF and its activities.

1. TYPES OF GUARANTEES AND THEIR FUNCTIONS

There are three ways for the ITFF to use guarantees:

- it can offer to guarantee trade facilities extended by other institutions;

- it can seek guarantees on its own funding (e.g., on its bond issues);

- it can seek guarantees from other institutions for its own facilities.

> it can seek guarantees from other institutions for its own facilities.

In order to ensure that the ITFF obtain and maintain the necessary status in the market, we recommend that the ITFF use guarantees in the following ways.

First, the ITFF should not place its guarantees on paper issued by others. This practice can seem appealing because it appears to be a way of financing without having to provide capital. However, it would create off-balance-sheet liabilities for the ITFF and has two important disadvantages. The first is that it can make it difficult for management to keep proper account of such liabilities, and to create proper provisions for them, both from a liquidity and loan-loss point of view. Second, other market participants would look askance at such a practice and would restrict their dealings with the ITFF precisely because of the uncertainties that off-balance-sheet liabilities can create. (It should be noted that, while the World Bank is allowed to provide guarantees of its own, it has never done so in its forty-six years of existence.)

Second, the ITFF should seek guarantees from central and commercial banks for loans it makes. The ITFF will, as standard practice, seek (though not require) guarantees on its loans. To the extent that it can obtain such guarantees, it will enhance the quality of the assets it holds and thus improve its standing in the markets in which it borrows. Also, assets that have some form of guarantee coverage could be resold into a secondary market more easily, injecting liquidity into the ITFF's portfolio. In certain cases, an importer or exporter may be able to justify pre-export or buyer finance in its own name through sufficient previous credit experience.

Third, the ITFF should seek guarantees on its own bond issues from other multilateral entities, governments, or even first-class commercial banks; but, it should not count on their being available. The ITFF could obviously obtain funding much more easily if such guarantees were available than if it were operating purely on its own balance sheet and resources. Such coverage, however, should not be expected since most of the entities that might issue such guarantees either provide their own trade finance facilities (as in the case of MDBs and commercial banks) or would offer these guarantees to their own export credit agencies (as in the case of governments). For the purposes of this paper, we shall assume that the ITFF must operate on its own, based on commercial considerations.

The ITFF may seek to guarantee its bond issues with callable capital, but we believe this strategy would offer more complications than benefits. First, the market may not ascribe much value to guarantees ITFF shareholders could offer, as described in section IV.C.

Second, offering self-generated guarantees on bond issues would put the institution's capital base at greater risk. Technically, bondholders have recourse to the institution's capital base in the event of debt servicing problems, though in practice they usually do not take immediate action. However, pledging part of the capital base as guarantees might encourage bondholders to sue immediately in the event of default rather than pursue a rescheduling.

Finally, guarantees offered on debt could have the effect of weakening non-guaranteed, previously issued debt. Investors would automatically see the guaranteed debt as stronger, and thus the previously issued debt as weaker.

2. RECOMMENDED STANDARDS FOR USE OF GUARANTEES

Before discussing particular details of how the ITFF should use guarantees to enhance its assets, it is important to note the limited value of guarantees in general.

Guarantees are effective insurance against non-payment in only two circumstances: when the guarantee is issued by a government whose credit standing is irreproachable, or when the guarantee is issued by a bank that must protect its access to, and reputation in, the international financial community. Otherwise, a guarantee does not necessarily offer significant asset enhancement--the creditworthiness of the guarantor could be problematic, and recourse to the guarantee could be very costly.

The ITFF should therefore view guarantees with some skepticism, especially with its mandate to focus on South-South trade. Many developing countries will not be able to offer government or bank guarantees of sufficient standing to be of much significance in world financial markets, and particularly to potential ITFF bond purchasers. The ITFF could enforce guarantees offered by member countries by restricting further lending until the guarantee was honored, but just how effective this disciplining mechanism would be is uncertain.

a. Importer/Exporter Creditworthiness

We may begin by distinguishing among four classes of potential LDC exporters. This classification, developed by Multinational Strategies and published in *International Development Review* magazine, reflects market judgment about the creditworthiness of various countries. It is based on a number of factors, both objective and subjective, and varies over time, but it is the only available source of country "rankings" that specifically takes into account market evaluations of the creditworthiness of various countries' paper, including trade paper. The rankings are detailed in Appendix A.

Based on market practice, guarantees would be required for transactions in all countries except some of the Class A countries. In some Class A countries, there may be strong commercial firms that can attract financing on their own without any third-party guarantees. These can be either exporting firms, qualifying for pre-export finance, or importing firms, qualifying for post-shipment or buyer finance.

b. Guarantor Creditworthiness

In other countries, guarantees would be needed. These guarantees could come either from the government or from commercial banks. The value of the guarantee would depend on the credit standing of the institution providing it.

If from the government, the guarantee (as a guarantee or as a co-signing for a loan) could be given by an ECA or by some other government entity, most likely a central bank or an export development institution. For Class B countries or below, however, such sovereign guarantees may not significantly enhance the asset's creditworthiness, since these would be foreign currency obligations for the government and thus viewed by the market as equivalent to debt obligations. Also, any foreign currency obligations are only as good as the country's foreign currency reserves. In cases where a country's reserves are low, a guarantee would obviously have minimal value.

Commercial bank guarantees would require the ITFF to go through a careful process of evaluating the bank offering the guarantee. This would be doubly necessary if the transaction were between two developing countries since it would be extremely unlikely that a first-class commercial bank would be taking part in the transaction.

Commercial bank guarantees would not be *required* for transactions; either a government or bank guarantee could suffice, depending on particular circumstances and the creditworthiness of the bank offering the guarantee.

c. Forms of Guarantees

The form of guarantee can vary widely and should depend primarily on the institutional arrangements within each country. The important point is that the guarantee should be an unconditional guarantee of payment, not linked in any way to the performance of the exporter or the quality of the goods shipped. If a guarantee were to be subject to a performance criterion, it would not be accepted in financial markets.

From the point of view of the ITFF, it should not make much difference whether the guarantee is *por aval*, by means of a guarantee agreement, or under a letter of credit. From a risk point of view, they are all substantially equivalent. The a forfait market is more accustomed to dealing in guarantees *por aval*, but has also handled transactions with other documentation.

Multiple guarantors offer little additional asset enhancement unless the additional guarantor(s) is of sufficient standing in the markets, as described above.

d. Cost Considerations

There are virtually no cost considerations with respect to types of guarantees with which the ITFF would work. The cost of financing would be determined by the type of risk and term of the financing. The form it takes would mainly conform to the institutional requirements of each particular market.

III. TYPES OF RISK

A. DESCRIPTIONS OF RISK

1. CREDIT RISK

The ITFF's portfolio would inherently contain a mix of two types of credit risk: country risk and commercial risk. **Country risk** refers generally to the ability and willingness of the country to provide foreign exchange to make payment for a foreign currency obligation. All of the ITFF's financing would be subject to country risk, and managing its country risk exposure would be one of the most important aspects of the credit process. As noted at the outset, countries have generally given a high priority to their trade obligations; even highly indebted countries that accumulated substantial arrears on their medium-term bank debt have tended to stay current on their commercial trade obligations. There is a history of significant delays in payment on trade obligations from many developing countries, however, so country risk is pertinent for the ITFF to consider.

Commercial risk refers to the commercial risk of the entity being financed. This could be either the importer or the exporter, depending upon what type of finance is being offered. Pre-export finance entails credit risk of the exporter, while post-shipment or buyer finance implies credit risk of the importer.

2. MATURITY RISK

As discussed in section I.E., maturity risk refers to the risk inherent in the reality that the kinds of projects that require medium-term financing are by their nature those that pose greater risk than those requiring short-term financing. Medium-term trade finance often involves transactions with more steps than those requiring short-term finance, for example when the transaction includes not only the shipment of the good but its actual production. Because a certain risk is associated with each step, the overall risk of medium-term financing are higher than for the typical short-term event.

Pre-export finance is generally always short-term (up to 180 days). Post-shipment finance can be short- or medium-term, depending on the type of goods being financed. Commodities and other inputs into a production process generally are financed on a short-term basis. Capital goods generally require medium-term finance. Current market practice would generally limit this to up to five years.

3. FOREIGN EXCHANGE RISK

Foreign exchange risk arises when a loan is denominated in one currency but funded by liabilities denominated in another currency. The institution is susceptible to even short-term fluctuations in exchange rates if it uses this practice.

Foreign exchange risk is common in the lending activities of banks whose clients may be willing to pay a premium for loans denominated in specific currencies. This practice, however, predominates only among firms in industrial countries and is much less common among developing countries, where most trade transactions are denominated in U.S. dollars. Moreover, with the advent of dollar-denominated security issues in non-U.S. markets, foreign exchange risk can be avoided more easily.

4. MIS-MATCHING OR FUNDING RISK

Mis-matching or funding risk is present when loans of a given maturity are funded with liabilities of a different maturity. This situation can arise either when short-term assets are funded by too much medium-term liability, or vice-versa. For example, as discussed in section I.E., if a large share of an institution's portfolio is locked into medium-term facilities, the institution's ability to react quickly to changes in the bond market is severely restrained because fewer assets are liquid enough to be rolled over into assets with new term structures.

B. RECOMMENDED RISK MANAGEMENT STRATEGY

Establishing a sound risk management strategy will serve two purposes. First, it will minimize the risk inherent in the portfolio. Second, it is the single most important feature of the ITFF that potential bond investors will examine.

1. CREDIT RISK

The ITFF should be prepared to consider credit risk in any countries in which it is willing to finance transactions. In most countries, however, the exporting or importing firms will not be of sufficient standing to justify credit on their own without some kind of guarantee.

The ITFF should operate on the principle of country limits that is standard for banks and other lending institutions. Once it decides that it is willing to accept a given country risk, the ITFF would then establish a credit limit for that country. The purpose is to assure diversity in the portfolio so there is not excessive exposure to any one country or group of countries. This is essential for the ITFF to maintain its own credit standing in the market in order to support its own borrowings.

The ITFF may begin with the policy that only countries whose central banks are shareholders would be eligible for financing. This would create an incentive for countries to invest in the ITFF. But it is equally true that the mere fact that a country's central bank is a shareholder should not ensure that the ITFF would finance that country risk. As discussed above, the ITFF would have to make independent credit decisions and would not necessarily finance a transaction just because a shareholder is involved.

The ITFF would have to develop a credit evaluation process so it can make informed credit decisions on a wide variety of entities in different countries. These would have to be updated periodically. As part of this evaluation process, the ITFF would use the local focal points to evaluate initially local applications for credit.

It may also be valuable to the ITFF for it set up a body that would monitor the institution's mechanisms used to evaluate risk and make credit allocations. This could be done, for example, by an internationally respected accounting firm. Such a feature would help facilitate a flow of comprehensive information on the ITFF to the bond markets and other potential funders. It would in addition guard against the ITFF developing an insulated view about certain counterparties and mechanisms to manage risk.

A further step in this direction would be to establish a credit advisory board, comprising senior credit officers from large international banks, to review credit management procedures. This board would also serve as an informal resource from which could obtain information about counterparties.

In addition, the ITFF may have to establish special relationships with bank evaluation and rating agencies (such as Keefe BankWatch and IBCA) to secure needed information on potential counterparties. Because many of these counterparties in developing countries may be largely unknown in international markets, the ITFF could encourage or sponsor expansion of these rating and evaluation services to cover key developing country institutions. This information would also promote the ITFF's development goal of facilitating an expansion of financing flowing into developing countries and South-South trade.

If the volume of business with a particular country grew quite large, the local focal point would be particularly important. This local focal point could review documentation on specific transactions to certify that an exporter or importer meets the criteria of which goods are acceptable (e.g., rules of origin, classification of goods) and to evaluate local banks as acceptable and reliable entities if such banks are involved in the transaction.

2. MATURITY RISK

The willingness to assume medium-term risk would intersect with credit considerations. The better the economic standing of the country and the better the guarantees on a given transaction, the more the ITFF would be able to consider medium-term finance. In practice, this would mean that the ITFF would be able to do more medium-term risk in Class A countries than in Class B countries, it would be able to do only very limited medium-term finance in Class C countries, and probably none in Class D countries.

3. FOREIGN EXCHANGE RISK

The ITFF should not run any foreign exchange risk. It should extend financing only in currencies in which it is able to obtain financing itself. This would effectively restrict its activities to the major international convertible currencies, especially the U.S. dollar. If the ITFF can obtain credit lines in other major currencies (pound sterling, deutschemark, Swiss franc, yen), it would be able extend financing in those currencies. The demand for such financing is likely to be relatively small, however, since the dollar remains the main unit of account for foreign trade.

The ITFF should not operate in the currency swap market during its first several years of operation. This market offers a technique to the highest-grade international institutions to improve their funding conditions. The ITFF should concentrate in its first years on establishing its main lines of business and not try to enter the swap market until it is well established in the market.

4. MIS-MATCHING OR FUNDING RISK

The ITFF should minimize its mis-matching or funding risk by obtaining funding that corresponds as closely as possible to the maturities of its loan portfolio. One method is to match the maturities of assets and liabilities perfectly. In practice, this would not be entirely possible, but mis-matching of assets and liabilities should not extend beyond a six-month term, and only rarely beyond three months.

Another method is to make loans at floating rather than fixed interest rates, which protects the institution from interest rate fluctuations. This method would be particularly valuable to the ITFF, and it should consider concentrating on floating-rate loans. More specifically, the ITFF could fund short-term financing either with a borrowing of the same maturity, or possibly on a somewhat shorter roll-over basis, depending on the conditions of its own credit lines. Medium-term financing, especially beyond one year, should be done on a floating-rate basis unless the ITFF can obtain fixed rate funds to match longer maturities.

There may be some grey areas, especially for maturities of between six months and one year, where some mismatching may occur. To a very limited extent, the ITFF may extend some medium-term, fixed-rate financing without matching funding. However, the ITFF should not expose itself to significant rate risk based on mismatching.

The ITFF should not operate in the interest rate swap market, for the same reasons given for excluding currency swaps.

C. CURRENCY USAGE

There is no ideal mix of currencies for the ITFF in principle. The mix should be driven wholly by demand for currencies, subject to the ability of the ITFF to obtain funding for itself in the same currencies. In practice, the ITFF should have no difficulty obtaining any desired mix of funding within the hard currencies.

The ITFF probably should not offer any financing denominated in local currencies of developing countries, since these loans would be funded in major currencies and therefore could pose foreign exchange risk.

One implication of this discussion is that the ITFF would not be able to finance countertrade, barter trade, or clearing agreements among LDCs. This should not be a major barrier, however, since the strong trend even in developing countries is away from such arrangements as countries try to enter more fully into the world trading system and global capital markets.

IV. CAPITALIZATION

A. CAPITALIZATION OPTIONS

The amount of capital the ITFF actually requires in order to provide a significant level of financing depends in part on assumptions regarding the mix of short- and medium-term financing, the leverage factor of the institution, and the degree to which the ITFF uses the a forfait market.

The financial feasibility analysis presented below considers two levels of capitalization that we believe to be realistic based on our expert assessment of political, economic, and financial conditions (e.g., likely level of government and private sector participation).

The low capitalization case assumes a total capitalization of $300 million, paid-in over five years in three installments.

The high capitalization case assumes a total capitalization of $750 million, paid-in over five years in three installments.

Any capital figure can be used as an alternative, however, and, indeed, the capitalization of the ITFF will be the major determinant of the level of financing it can provide. For example, a $100-million increase in the first year--that is, a doubling of the capital base--would double the value of total assets in the first two years. The $100-million increment has roughly the same effect on total capital and net income. As each year passes, the benefit of the additional capital diminishes. This pattern recurs in the effect on the return to total earning assets: the greatest impact of an addition to paid-in capital occurs in the first year and between the base case the first $100-million increment.

B. TYPES OF SHAREHOLDERS

The ITFF should seek four classes of shareholders: central banks of developing (and developed) countries, commercial banks and exporting firms from developing countries, multilateral agencies, and commercial banks and firms from industrial countries. The first three should be viewed as a requisite for the establishment of the ITFF. The fourth group would be difficult to attract and should be viewed as desirable but not essential.

Broad shareholding should be the underlying principle for seeking shareholders. The shareholders of any institution will ultimately set the tone and policies of the institution. A broad shareholding group has a number of advantages. First, it means that no single shareholder or small group of shareholders will dominate the institution and potentially be able to influence the ITFF unduly. Second, if all shareholdings are relatively small, it means that no single shareholder or small group of shareholders will have so much invested in the ITFF that they will have a great interest in trying to dominate it. A third incidental benefit is that by seeking a large number of shareholders, the amount of capital needed from each one would be relatively smaller, and perhaps easier to obtain.

Developing country governments are the first target shareholder group. If the ITFF is to get off the ground, it should enjoy broad support among LDCs. This support should obviously take the form of an investment in the ITFF. A tangible incentive to make the investment is that the ITFF could restrict its financing activities to exports from countries that are shareholders.

Industrial country governments should not be ruled out as shareholders. Most of them operate their own ECAs and might even view the ITFF as a competitor, but many developed countries have expressed interest in the ITFF.

The investment from each country should come from the central bank. Central banks are more desirable as shareholders than any other government entity, since central banks generally have the closest understanding and appreciation of the importance of financial markets and what they require. Markets view central banks in this way and will have greater confidence in central banks as shareholders for that reason.

The ITFF's market orientation should be expressed at the shareholder level by seeking private investors as well. One group to approach as potential shareholders is potential users of credit, commercial banks and exporting firms in the LDCs. An incentive would be that the ITFF could give preference in its financing activities to transactions in which its private shareholders were involved. If the capital investment sought were relatively small, many such entities might well become shareholders. A goal should be to attract private-sector investors from each country whose central banks have invested in the ITFF.

Multilateral agencies should also be asked to invest in the ITFF. One appropriate agency would be the International Finance Corporation because its specific mandate is to finance non-governmental, market-oriented activities. The Inter-American Development Bank has recently formed a similar affiliate, and there may be other similar efforts underway in the African Development Bank and the Asian Development Bank.

It would also be desirable to attract investors from the private sector in developed countries, though this would probably be difficult. Some approaches might be made to major international banks and major exporting firms.

Target numbers of shareholders could be the following:

- 40 developing (and developed) country central banks;
- 250 to 400 private firms from LDCs;
- 3 to 4 multilateral agencies;

a handful of private firms from developed countries if possible.

Shareholders would decide whether and how contributions should be related to the economic size of each shareholder, and how much private sector investment to seek. An ideal goal would be to raise an equivalent amount from the private sector and the central bank in each country. A minimum investment should be established and efforts made to attract ten to twenty shareholders from each country (this should be feasible in the larger countries but more difficult in the smaller countries). Hence, the ITFF might be forced to adopt a more modest goal of raising less from the private sector than from the central banks. One would try to raise from multilateral agencies an amount similar to that raised from central banks.

C. PAID-IN VERSUS CALLABLE CAPITAL

The ITFF should not distinguish between paid-in and callable capital, as do the World Bank and other MDBs. Since most of the ITFF's capital will come from LDCs, the market would ignore callable capital for purposes of evaluating the ITFF's balance sheet. This is because the debt crisis has affected the ability of many developing countries to service their debts as originally contracted; thus creating understandable caution in international capital markets regarding all matters involving developing country obligations. Also, as discussed above, callable capital complicates rather than helps funding operations, primarily the guaranteeing of ITFF paper. Thus, the ITFF would derive little or no benefit from callable capital. (It should be noted that BLADEX, which is in some ways similar to the ITFF as proposed here, does not have any callable capital.)

The ITFF would therefore be able to leverage its capital base of paid-in capital plus reserves and retained earnings. It would not, however, be able to establish a "gearing" ratio based upon callable capital, and the distinction between leverage and gearing will therefore not arise.

Capital contributions should not be paid-in at once, but rather should be phased in. This is desirable because it would not be possible to employ effectively more than a modest amount of capital from a standing start. Even after an organizational phase, it would take some time to attract deposits and lines of credit and to make the first loans. The balance sheet would thus have to be built slowly.

After an initial period of one or two years, additional capital contributions could be made, subject to satisfactory operations to that point. This would permit an expansion of activities from an existing sound base. Periodic capital increases every two or three years should then be contemplated.

V. ASSET AND LIQUIDITY MANAGEMENT

A. LEVERAGING RESOURCES

Based on the characteristics of the ITFF, its leveraging ratio should fall between that of major commercial banks and the MDBs, but closer to the latter. This range is between as much as 20:1 to less than 1:1. More specifically, we recommend that the ITFF should target leveraging its total capital resources between 5:1 and 10:1. This amount of leverage would take some time to attain but should be realizable assuming good professional management and reasonably good capital market conditions.

B. USING THE A FORFAIT MARKET

The a forfait market may offer an interesting means of increasing the activities and effectiveness of the ITFF. The a forfait market generally is a secondary market in which trade paper is bought and sold. By using this market, the ITFF could expand its own activities and capabilities. The ITFF's participation in the a forfait market would deepen and thus indirectly increase trade finance for LDC exports and contribute toward the ITFF's primary goal.

There are several ways in which the ITFF could use the a forfait market to advantage. First, it provides a source of liquidity beyond lines of credit. Many of the loans made by the ITFF would be salable in the a forfait market, and the ITFF could therefore sell off some of its portfolio to raise funds for other purposes, such as extending additional financing.

Second, the a forfait market could allow the ITFF to diversify its portfolio risk. If presented with a very large transaction, for instance, the ITFF could sell off a portion of it from the outset. This would permit the ITFF to avoid excessive concentration of exposure without declining the transaction.

Third, the ITFF could also periodically purchase paper in the a forfait market. Such purchases could be particularly useful as the ITFF is being established since it would permit the ITFF to build its own portfolio more rapidly and easily than it could by going out and seeking clients.

Fourth, the ITFF could use the a forfait market for trading purposes. By design, the ITFF would often strive to be slightly ahead of the market, taking on risks more readily than other market participants. As its portfolio matures, and if its judgments are correct, the ITFF would hold paper that the market would consider attractive. Some of this may be paper of countries that the market would not accept when issued but later improved and became more acceptable. Or it may be paper whose original maturity was beyond what the market would accept but which became shorter with the passage of time. Under these conditions, the ITFF would have opportunities to sell paper at a profit. It may often be worth doing so, not only to earn a profit, but also to free up room in its portfolio to undertake new transactions.

The a forfait market is limited almost exclusively to short-term trade paper, which would be the principal business of the ITFF. But the ITFF could also imaginatively use the a forfait market to manage its medium-term obligations and increase its medium-term financing.

The principal mechanism for this would be to "unbundle" medium-term loans into short-term and medium-term components. Sometimes short-term paper of an LDC is accepted where medium-term paper is not. This would allow the short-term component into the a forfait market even when the medium-term component is not salable. The benefit of this mechanism is that the ITFF could finance a medium-term transaction with a relatively small increase in its overall exposure. The cost, however, is that it would be left with only medium-term paper, which would still increase its overall portfolio risk. This limits the volume of such unbundling transactions.

Whenever the ITFF sells paper in the a forfait market, it should do so without recourse. This means that, except within a narrowly defined scope, the ITFF would have no liability for payment of the paper it has sold. A sale with recourse would leave the ITFF responsible for payment and would generate off-balance-sheet liabilities.

To be able to use the a forfait market, the ITFF would have to structure its transactions so that debt obligations are issued in a form that can be negotiated. Not all trade transactions are financed in this way, and it would take some effort to make sure that the documentation used will, as much as possible, permit negotiation in the a forfait market.

To use the a forfait market, the general principle with respect to documentation is that the ITFF should obtain a negotiable debt instrument as evidence of its loans. This would typically be in the form of a promissory note, with a guarantee *por aval* or a separate letter of guarantee. In all cases, payment of the obligation should be irrevocable and unconditional and not in any way linked to the acceptability of the goods whose shipment is being financed. An alternative acceptable form of documentation is a bankers' acceptance, which can be generated either from a letter of credit or from a credit line. (Bankers' acceptances from institutions in LDCs are realistic for the most creditworthy institutions; association with the ITFF will help enhance creditworthiness in these cases.)

Some trade is financed on the basis of clean advances, based on a tested telex advice. Often there is no further documentation other than a general credit agreement, under which the advances are made. This sort of transaction cannot be sold in the a forfait market because there is no credit instrument that can be transferred. The ITFF should not refuse to engage in such transactions; they are common for certain purposes. But it should strive to structure transactions to end up with a debt instrument.

VI. INSTITUTIONAL ARRANGEMENTS

A. TYPE OF ORGANIZATION AND STRUCTURE

The ITFF should be organized as a commercially viable lending institution modeled on other MDBs.

Commercial standards should certainly be expressed clearly in the statutes and charter of the ITFF. We recommend in addition, however, other steps to assure that the ITFF in fact will adhere to commercial criteria, and will be seen that way by the market:

- a diverse board of directors;
- professional managers; and
- location in a major financial center.

1. BOARD OF DIRECTORS

The board of directors of a corporation elects the officers and has the overall responsibility for the policy followed by the institution. Hence, it is very important that the composition of the board of directors reflects the stated intention that the ITFF be managed according to commercial criteria.

If the goal of broad shareholding has been achieved, then it should be easy to ensure a diverse board of directors since the board would reflect the shareholders. It would be appropriate that each shareholder group be represented on the board. Given the anticipated composition of the board, it might be composed of two or three directors each representing the central banks, the private firms from LDCs, and the multilateral agencies, and one director representing the private firms from developed countries.

This would guarantee a diversity of points of view on the board. A common thread, however, is market orientation and commercial viability. Hence, this composition of the board should ensure that these criteria will prevail, and should also assure the markets that this will be so.

2. TYPE OF MANAGEMENT

The ITFF cannot be better than its management, so the best possible management should be sought. The most important criterion is that most, if not all, the officers should be recruited from the private sector. That is the only sure way to guarantee that they will understand markets and what markets require.

The chief executive officer should be someone with many years private banking experience, which should include financing in LDCs and some specific expertise in trade finance. He or she should be supported by financial officers, lending officers, and credit officers, all of whom have private banking experience in their respective fields.

Also, the ITFF may wish, as discussed above in section III.B., to create an international advisory board on credit policies, establish relationships with bank evaluation and rating companies, and have an international accounting firm assess its credit policies.

3. LOCATION

The ITFF should be located in a major financial center, at least initially. Placing it anywhere else would hamper its ability to attract funds, both deposits and lines of credit. Potential depositors and lenders would have some confidence in the seriousness of an institution established in a major financial center, whereas they would look skeptically at one located in a tax haven or developing country. There are only a few major financial centers from which to choose worldwide. Given the global scope of its intended activities, we recommend that the ITFF be located in London.

B. RELATIONSHIP TO EXPORT DEVELOPMENT INSTITUTIONS

The ITFF should strive always to complement and never substitute for the activities of national export credit agencies of member countries.

For the ITFF, an ECA could be:

- a guarantor of a loan;
- a source of information about local counterparties;
- a source of transactions (where the ECA wished the ITFF to take on a particular loan).

The ITFF should therefore seek institutional relationships with ECAs to facilitate such assistance and deal flow. As noted above, ECAs are unlikely to be shareholders of the ITFF.

C. RELATIONSHIP TO REGIONAL TRADE FINANCE SCHEMES

Likewise, the ITFF should seek to complement regional arrangements, such as those finance arrangements among the Andean Pact countries. UNCTAD, member countries, and most other analysts agree that the amount of financing available through extant arrangements is insufficient, and that the ITFF could play a valuable role across all developing countries by expanding the amount of trade finance available.

VII. FINANCIAL FEASIBILITY ANALYSIS

To illustrate how the ITFF might work, we have constructed a financial feasibility analysis, including a base case and a sensitivity analysis measuring changes in the ITFF's condition as different parameters change.

The purpose of constructing this model is to develop a sense of the range of possible results of operation of the ITFF. Obviously, these scenarios do not exhaust the possibilities. They do, however, represent a range of alternatives that, taken together, give a sense of the realistic possibilities available to the ITFF.

A. APPLYING SENSITIVITY ANALYSIS

The most conservative management of the ITFF, from the perspective of satisfying the bond market as fully as possible, would require only short-term lending in the portfolio. We have already discussed the reality that the ITFF would in fact be able to undertake some medium-term lending. For other aspects of lending arrangements, however, we believe there is even less flexibility available to the ITFF: it will have to avoid making loans with features that weaken it any further in the eyes of bond investors (i.e., riskier payment arrangements, guarantee structures, country coverage, or interest rate terms). Of these, the market would look particularly unfavorably at riskier repayment terms and guarantee structures since these would directly affect whether loans could be viewed as "safer" short-term assets or "less safe" medium-term/unguaranteed assets.

Our sensitivity analysis addresses these concerns by varying maturity, interest rate spreads, country coverage of lending, and several other parameters described below. We do not address riskier repayment terms and guarantee structures because (1) there may be differences across the portfolio in these features but they will be small differences with individual borrowers and would not affect the overall portfolio to any significant degree; and (2) we believe that *major* changes in these variables would not be viable options if the ITFF is to meet the standards imposed by the bond market.

B. OVERALL ASSUMPTIONS

The key to constructing any scenarios is the assumptions on which they are built. The set of assumptions we have used has been developed based on market practice, after discussion and consultation with market participants. In general, we have tried to utilize alternative assumptions that will define the range of acceptable practice.

Capitalization. The first determinant of the ITFF's performance we consider is its capital base. We have set an upper and lower bound on the capital base in line with what market participants feel is an acceptable size for an institution such as the ITFF. The *low capitalization* scenario, which underlies the "base case" for the financial feasibility analysis, assumes total paid-in capital of $300 million, which would be paid in three installments of $100 million each at the beginning of the first, third and fifth years of operation. The *high capitalization* scenario foresees total paid-in capital of $750 million, which would be paid in three installments of $250 million at the beginning of the first, third and fifth years of operation.

We have also considered the effects of incremental increases in paid-in capital to gauge the sensitivity of the ITFF to changes in the capital base.

- A $100-million increase in the first year--that is, a doubling of the capital base--would double the value of total assets in the first two years.
- Thereafter, scheduled increases in paid-in capital diminish the effect that the extra capital has on total assets.
- The $100-million increment has roughly the same effect on total capital and net income.
- The additional capital has its greatest impact on the return to total capital in the first year and with the first increment. As additional increments of $100 million are added, the return to total capital increases more slowly.
- As each year passes, the benefit of the additional capital diminishes. This pattern recurs in the effect on the return to total earning assets: the greatest impact of an addition to paid-in capital occurs in the first year and between the base case the first $100-million increment.

Leverage. This is perhaps the single most important assumption with respect to the ITFF's operation. We have assumed that the leverage would increase gradually as the ITFF operates. Obviously, it would take some time for the ITFF to develop its assets and liabilities, and reach its leverage target.

Total assets have been leveraged off of total capital resources, which consist of the sum of paid-in capital, reserves, and retained earnings. For the base case, we have set a target leverage of approximately 5:1. This would be reached in stages, with leverage being approximately 2:1 at the end of the first year, 3:1 at the end of the second year, 4:1 at the end of the third year, and 5:1 at the end of the fourth and fifth years.

We then test the sensitivity of the ITFF to a change in the target leverage ratio to approximately 10:1. This would also be reached in stages, with leverage being approximately 2:1 at the end of the first year, 4:1 at the end of the second year, 7:1 at the end of the third year, 8:1 at the end of the fourth year, and 10:1 at the end of the fifth year.

These target leverages probably establish the range of reasonable leverage ratios for the ITFF. Market practice would view a 5:1 leverage ratio as quite conservative, even for an institution concentrated in finance to developing countries.

A leverage ratio of 10:1 would be viewed as rather aggressive, as it approximates that of conservatively managed commercial banks.

Liquidity. A portion of the ITFF's assets should be kept in time deposits and other money market instruments. This is necessary to provide an adequate cushion against adverse market developments that could affect either servicing of loans in the ITFF's portfolio or the ITFF's ability to maintain its sources of funding. The proportion of total assets maintained in time deposits and money-market instruments would affect the profitability of the ITFF. Since such assets would earn less than loans, the higher the proportion maintained in liquid assets, the lower the profitability of the ITFF.

In the base case, we have assumed that 25 percent of earning assets are maintained in sources of liquidity. We then test the sensitivity of the base case to a change in policy which puts only 10 percent of earning assets are maintained in sources of liquidity. These probably establish the range, since 25 percent would be judged a rather high proportion, and 10 percent a somewhat low proportion.

Maturity Profile. Another large question is the mix between short- and medium-term business. As discussed earlier, the greater need from developing countries is probably for medium-term financing. On the other hand, it would be quite difficult for the ITFF to obtain medium-term funding, especially at the outset. Therefore, the bulk of its lending would have to be short-term, in order to justify the leverage targets we have set.

In the base case, we have assumed that 95 percent of the ITFF's financing would be short-term and 5 percent medium-term. In the sensitivity analysis we have assumed 75 percent would be short-term and 25 percent medium-term. This establishes the range of probable operations.

Risk Profile. Another important variable is the mix of business among countries, each of which would have a different relative level of creditworthiness. This mix depends in part on assumptions about the maturity profile, since the willingness of the ITFF to do medium-term business with a country would depend on the creditworthiness of the country.

For the base case, we have assumed that, of the short-term business, 50 percent would be done with Class A countries, 30 percent with Class B countries and 20 percent with Class C countries. Of the medium-term business, 75 percent would be done with Class A countries and 25 percent with Class B countries.

In the sensitivity analysis we assume that in both short- and medium-term maturities, lending is evenly spread among all four classes.

Interest Income. First, we have assumed that the ITFF would earn 0.25% on its placements with other banks and on its money-market investments. Interest rate spreads on its loans would obviously vary depending on the creditworthiness of the borrowing country, and on the term of the financing.

In the base case our assumptions are that for short-term business, Class A countries would pay LIBOR plus 1.5 percent, Class B countries would pay LIBOR plus 2.5 percent, Class C countries would pay LIBOR plus 4.0 percent and Class D countries would pay LIBOR plus 6.0 percent. On medium-term business, we have assumed that Class A countries would pay LIBOR plus 2.5 percent and Class B countries would pay LIBOR plus 4.0 percent, Class C countries would pay LIBOR plus 6.0 percent and Class D countries would pay LIBOR plus 8.0 percent. In addition, we have assumed that all countries would be a one-time fee of 2 percent on all medium-term business.

In the sensitivity analysis we consider the possibility of lowering the spreads offered to countries. For short-term loans, Class A countries would pay LIBOR plus 0.8 percent, Class B countries would pay LIBOR plus 1.3 percent, Class C countries would pay LIBOR plus 2.0 percent and Class D countries would pay LIBOR plus 3.0 percent. For medium-term credit, Class A countries would pay LIBOR plus 1.3 percent, Class B countries would pay LIBOR plus 2.0 percent, Class C countries would pay LIBOR plus 3.0 percent and Class D countries would pay LIBOR plus 4.0 percent.

Furnishings and Miscellaneous. We have assumed that fixed assets and miscellaneous accounts receivable would be one percent of the paid-in capital, reserves, and retained earnings.

Demand Deposits. Since the ITFF would be a wholesale, commercial financing institution, it would not attract much in the way of demand deposits. They would arise only as small working balances in customers' accounts, and have been assumed at one percent of capital, reserves, and retained earnings.

Time Deposits. One key to the ITFF's success would rest on its ability to attract time deposits. These are important because they represent a more stable source of funding than borrowings under lines of credit. They are also less expensive. It is likely that the ITFF would seek time deposits primarily from its shareholders. It is to be hoped that countries would support the ITFF not only with capital contributions, but also by keeping some of their international reserves in the form of interest-bearing time deposits with the ITFF. Over time, it should be possible to attract time deposits from unrelated parties as well.

We have assumed that half of the ITFF's borrowed funds come from time deposits and half from borrowings, which would include both lines of credit and capital market issues. This assumption can obviously be refined, but it makes very little difference to the overall size of the ITFF or its profitability, and we did not consider it important to consider alternative assumptions here.

Interest Expense. We have assumed that the ITFF would pay LIBOR on its time deposits and that they would therefore be at zero spread. We have further assumed that the spread the ITFF would pay on its borrowings would be closely associated with the risk and maturity characteristics of its portfolio. The borrowing spreads we assume for each type of asset are as follows: for short-term loans, Class

A loans would be funded at LIBOR plus 0.75 percent, Class B loans would be funded at LIBOR plus 1.0 percent, Class C loans would be funded at LIBOR plus 1.5 percent and Class D loans would be funded at LIBOR plus 3.0 percent; for medium-term loans, Class A loans would be funded at 1.0 percent, Class B loans would be funded at 1.5 percent, Class C loans would be funded at 3.0 percent and Class D loans would be funded at 5.5 percent.

The aggregate borrowing spread paid by the ITFF would of course depend on the composition of the portfolio and therefore changes in all of the scenarios in which this composition is altered.

A Forfait Market. Imaginative use of the a forfait market can greatly enhance the effectiveness of the ITFF. It can increase profitability and also increase the total volume of financings undertaken. We believe there is great potential in developing an active a forfait business, which would have collateral benefits to developing countries by helping to expand the market and make it available for their direct use.

In the base case, we have assumed that an additional 25 percent of the business done with Class A countries is placed in the a forfait market. Earnings are projected to be 0.25 percent on short-term business and 1.0 percent on medium-term business. The lower profit margin on short-term business is appropriate, since it can represent 0.5 percent per annum on 180-day paper, or even 1.0 percent per annum on 90-day paper.

In the sensitivity analysis we assume that an additional 50 percent of the business done with Class A countries and an additional 25 percent of the business done with Class B countries is placed in the a forfait market. We have made the same assumptions about profitability. In both modes, we have assumed that no paper of Class C or Class D countries can be placed.

Interest Rate. In the base case, we assume LIBOR of 8.0 percent throughout the five-year period. In the sensitivity analysis we consider the effect of a rise in LIBOR to 12.0 percent through the five-year period.

Overhead. To estimate overhead, we projected different levels of staffing for the ITFF based on its level of total assets. This would change over time in base case and in the scenarios which alter the level of total assets. We then apply a multiplier factor to the total number of employees to estimate the total overhead of the institution, including salaries, fringes, rent, travel, communication, etc. The multiplier we used initially was $125,000 per employee. We increased the multiplier by five percent per annum. This is obviously a rough estimate, but it is in line with market experience of overheads of this type of operation. Total overhead as a percentage of total assets is somewhat lower than for commercial banks. This is appropriate, since the ITFF would not have any retail banking functions and thus would have a lower cost of operations as measured against total assets.

Loan Losses. It is likely that the ITFF would eventually suffer some loan losses. We have assumed that no loan losses would be suffered in the first year of operation, basically because it would take some time to get underway and for loan performance to become clear.

Following the first year, however, we have assumed loan loss ratios for each class of countries. In the base case, we assume that loan losses will total 0.15 percent for Class A countries, 0.3 percent for Class B countries, 0.6 percent for Class C countries and 1.2 percent for Class D countries. In the sensitivity analysis we assume that loan losses rise to 0.3 percent for Class A countries, 0.6 percent for Class B countries, 1.2 percent for Class C countries and 2.4 percent for Class D countries.

These levels of loan losses are lower than the average for commercial banks overall. We believe this is acceptable because it is in line with actual experience of losses in trade credits to developing countries, which have been even lower than those projected.

It should be emphasized that these are loan losses actually recognized. We have also foreseen building up loan loss reserves by dedicating half of after-tax earnings to reserves each year. This would provide a further cushion should actual loan losses exceed what has been projected.

Dividends. We have assumed that the ITFF would not pay any dividends. After-tax profits have been allocated half to a loan loss reserve and half to retained earnings.

■ ■ ■

In addition to the scenarios modifying the assumptions above, we have constructed scenarios that

- consider the joint impact of **greater medium-term lending with an even spread among different classes of countries**; and
- consider a **problem case:** greater concentration of medium-term loans, a more even spread across different country classes, lower spreads above LIBOR paid by each country class, and higher loan-loss ratios.

C. SUMMARY OF BASE CASE AND SCENARIOS

Base Case

Leverage - year one: 2:1
year two: 3:1
year three: 4:1
year four: 5:1
year five: 5:1

Liquidity - 25% of earning assets

Maturity Profile - 75% in short-term

Risk Profile - Short-term: 25% to Class A
25% to Class B
25% to Class C
25% to Class D

Medium-term: 25% to Class A
25% to Class B
25% to Class C
25% to Class D

Interest Income - Short-term: Class A LIBOR plus 0.8%
Class B LIBOR plus 1.3%
Class C LIBOR plus 2.0%
Class D LIBOR plus 3.0%

Medium-term: Class A LIBOR plus 1.3% and 2% flat
Class B LIBOR plus 2% and 2% flat
Class C LIBOR plus 3% and 2% flat
Class D LIBOR plus 4% and 2% flat

Use of a forfait market - 25% of loans to Class A countries
earn 0.25% on short-term business
earn 1% on medium-term business

Sensitivity Analysis

Each of the following scenarios is constructed under both the "low capitalization" assumptions and the "high capitalization" assumptions.

Scenario 1: Greater Leverage

Leverage - year one: 2:1
year two: 4:1
year three: 7:1
year four: 8:1
year five: 10:1

Scenario 2: Less Liquidity

Liquidity - 10% of earning assets

Scenario 3: Less Medium-Term Lending

Maturity Profile - 95% in short-term

Scenario 4: Smaller Share of Loans to Riskier Country Classes

Risk Profile - Short-term:
50% to Class A
30% to Class B
20% to Class C

Medium-term:
75% to Class A
25% to Class B

Scenario 5: Higher Spreads on Loans

Interest Income - Short-term: Class A LIBOR plus 1.5%
Class B LIBOR plus 2.5%
Class C LIBOR plus 4%
Class D LIBOR plus 6%

Medium-term: Class A LIBOR plus 2.5% and 2% flat
Class B LIBOR plus 4% and 2% flat
Class C LIBOR plus 6% and 2% flat
Class D LIBOR plus 8% and 2% flat

Scenario 6: Greater Use of A Forfait Market

Use of a forfait market - 50% of loans to Class A countries
25% of loans to Class B countries
earn 0.25% on short-term business
earn 1% on medium-term business

Scenario 7: Higher LIBOR

LIBOR - 12.0%

Scenario 8: Shorter Maturities and Less Risk

Combination of Scenarios 3 and 4

(Note that "Total Assets/Forfait" is equivalent to the total annual volume of financing.)

Since the Base Case assumes low capitalization, we compare the Base Case to the low-capitalization versions of the scenarios:

Scenario 1: Greater Leverage (year 5)

Total Assets/Forfait	$2.77 billion
Net Income	$7.34 million
Total Capital	$350.2 million
Return on Total Capital	2.1%
Return on Total Earning Assets/Forfait	0.3%

Scenario 2: Less Liquidity (year 5)

Total Assets/Forfait	$1.69 billion
Net Income	$14.0 million
Total Capital	$357.9 million
Return on Total Capital	3.9%
Return on Total Earning Assets/Forfait	0.8%

Scenario 3: Less Medium-Term Lending (year 5)

Total Assets/Forfait	$1.39 billion
Net Income	$9.76 million
Total Capital	$347.0 million
Return on Total Capital	2.8%
Return on Total Earning Assets/Forfait	0.7%

Scenario 4: Smaller Share of Loans to Riskier Country Classes (year 5)

Total Assets/Forfait	$1.48 billion
Net Income	$16.5 million
Total Capital	$354.6 million
Return on Total Capital	4.6%
Return on Total Earning Assets/Forfait	1.1%

Scenario 5: Higher Spreads on Loans (year 5)

Total Assets/Forfait	$1.55 billion
Net Income	$32.8 million
Total Capital	$410.4 million
Return on Total Capital	8.0%
Return on Total Earning Assets/Forfait	2.1%

Scenario 6: Greater Use of the A Forfait Market (year 5)

Total Assets/Forfait	$1.5 billion
Net Income	$13.2 million
Total Capital	$353.3 million
Return on Total Capital	3.7%
Return on Total Earning Assets/Forfait	0.9%

Scenario 7: Higher LIBOR (year 5)

Total Assets/Forfait	$1.54 billion
Net Income	$23.9 million
Total Capital	$389.1 million
Return on Total Capital	6.1%
Return on Total Earning Assets/Forfait	1.5%

Scenario 8: Shorter Maturities and Less Risk (year 5)

Total Assets/Forfait	$1.47 billion
Net Income	$11.9 million
Total Capital	$345.4 million
Return on Total Capital	3.5%
Return on Total Earning Assets/Forfait	0.8%

...

All of these scenarios are projected for high capitalization as well as low capitalization. Comparing the two versions of each scenario gives the following results:

Scenario 1: Greater Leverage (year 5)

Low capitalization:

Total Assets/Forfait	$2.77 billion
Net Income	$7.34 million
Total Capital	$350.2 million
Return on Total Capital	2.1%
Return on Total Earning Assets/Forfait	0.3%

High capitalization:

Total Assets/Forfait	$6.96 billion
Net Income	$19.2 million
Total Capital	$880.1 million
Return on Total Capital	2.2%
Return on Total Earning Assets/Forfait	0.3%

Scenario 2: Less Liquidity (year 5)

Low capitalization:

Total Assets/Forfait	$1.69 billion
Net Income	$14.0 million
Total Capital	$357.9 million
Return on Total Capital	3.9%
Return on Total Earning Assets/Forfait	0.8%

High capitalization:

Total Assets/Forfait	$4.3 billion
Net Income	$35.9 million
Total Capital	$899.3 million
Return on Total Capital	4.0%
Return on Total Earning Assets/Forfait	0.8%

Scenario 3: Less Medium-Term Lending (year 5)

Low capitalization:

Total Assets/Forfait	$1.39 billion
Net Income	$9.76 million
Total Capital	$347.0 million
Return on Total Capital	2.8%
Return on Total Earning Assets/Forfait	0.7%

High capitalization:

Total Assets/Forfait	$3.49 billion
Net Income	$25.1 million
Total Capital	$871.6 million
Return on Total Capital	2.9%
Return on Total Earning Assets/Forfait	0.7%

Scenario 4: Smaller Share of Loans to Riskier Country Classes (year 5)

Low capitalization:

Total Assets/Forfait	$1.48 billion
Net Income	$16.5 million
Total Capital	$354.6 million
Return on Total Capital	4.6%
Return on Total Earning Assets/Forfait	1.1%

High capitalization:

Total Assets/Forfait	$3.73 billion
Net Income	$42.1 million
Total Capital	$890.7 million
Return on Total Capital	4.7%
Return on Total Earning Assets/Forfait	1.1%

Scenario 5: Higher Spreads on Loans (year 5)

Low capitalization:

Total Assets/Forfait	$1.55 billion
Net Income	$32.8 million
Total Capital	$410.4 million
Return on Total Capital	8.0%
Return on Total Earning Assets/Forfait	2.1%

High capitalization:

Total Assets/Forfait	$3.89 billion
Net Income	$83.1 million
Total Capital	$1,030 million
Return on Total Capital	8.1%
Return on Total Earning Assets/Forfait	2.1%

Scenario 6: Greater Use of the A Forfait Market (year 5)

Low capitalization:

Total Assets/Forfait	$1.5 billion
Net Income	$13.2 million
Total Capital	$353.3 million
Return on Total Capital	3.7%
Return on Total Earning Assets/Forfait	0.9%

High capitalization:

Total Assets/Forfait	$3.85 billion
Net Income	$34.0 million
Total Capital	$887.9 million
Return on Total Capital	3.8%
Return on Total Earning Assets/Forfait	0.91.4%

Scenario 7: Higher LIBOR (year 5)

Low capitalization:

Total Assets/Forfait	$1.54 billion
Net Income	$23.9 million
Total Capital	$389.1 million
Return on Total Capital	6.1%
Return on Total Earning Assets/Forfait	1.5%

High capitalization:

Total Assets/Forfait	$3.87 billion
Net Income	$60.6 million
Total Capital	$977.6 million
Return on Total Capital	6.2%
Return on Total Earning Assets/Forfait	1.6%

Scenario 8: Shorter Maturities and Less Risk (year 5)

Low capitalization:

Total Assets/Forfait	$1.47 billion
Net Income	$11.9 million
Total Capital	$345.4 million
Return on Total Capital	3.5%
Return on Total Earning Assets/Forfait	0.8%

High capitalization:

Total Assets/Forfait	$3.68 billion
Net Income	$30.7 million
Total Capital	$867.3 million
Return on Total Capital	3.5%
Return on Total Earning Assets/Forfait	0.8%

■ ■ ■

Our conclusion is that the ITFF could make a significant contribution toward closing the financing gap needed to permit developing countries to expand their non-traditional exports, particularly with each other.

APPENDIX A

COUNTRY CREDIT CLASSIFICATION

Class A

Malaysia
India
South Korea
China
Thailand
Cyprus
Indonesia
Nauru
Papua New Guinea
Algeria

Class B

Pakistan
Colombia
Guatemala
Chile
Uruguay
Yugoslavia
Niger
Cameroon
Philippines

Class C

Mexico
Venezuela
Brazil
Senegal
Gabon
Morocco
Jamaica
Malawi
Madagascar
Egypt
Angola
Nigeria

Class D

Congo
Dominican Republic
Honduras
Zaire
Ecuador
Costa Rica
Argentina
Bolivia
Panama
Sierra Leone
Liberia
Cote d'Ivoire
North Korea
Mozambique
Peru
Nicaragua
Sudan

Source: CreditWatch rankings were created and prepared by Multinational Strategies, Inc., to be published in *International Development Review*, Winter 1989/90

APPENDIX B

FINANCIAL FEASIBILITY ANALYSIS TABLES

Base Case

Leverage -
year one: 2:1
year two: 3:1
year three: 4:1
year four: 5:1
year five: 5:1

Liquidity - 25% of earning assets

Maturity Profile - 75% in short-term

Risk Profile - Short-term:
25% to Class A
25% to Class B
25% to Class C
25% to Class D

Medium-term:
25% to Class A
25% to Class B
25% to Class C
25% to Class D

Interest Income - Short-term:
Class A LIBOR plus 0.8%
Class B LIBOR plus 1.3%
Class C LIBOR plus 2.0%
Class D LIBOR plus 3.0%

Medium-term:
Class A LIBOR pls 1.3% and 2% flat
Class B LIBOR plus 2% and 2% flat
Class C LIBOR plus 3% and 2% flat
Class D LIBOR plus 4% and 2% flat

Use of a forfait market -
25% of loans to Class A countries
earn 0.25% on short-term business
earn 1% on medium-term business

BALANCE SHEET FOR ITFF
BASE CASE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$50,000,000	$79,024,658	$209,602,248	$272,570,335	$408,097,401
Loans and Advances	$150,000,000	$237,073,975	$628,806,744	$817,711,005	$1,224,292,202
Furnishings/Misc/Acct Rec	$1,000,000	$1,053,662	$2,096,022	$2,180,563	$3,264,779
Accrued Interest Rec.	$19,804,688	$30,551,173	$81,836,771	$104,819,372	$157,556,275
Total Assets	$220,804,688	$347,703,468	$922,341,786	$1,197,281,275	$1,793,210,657
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,053,662	$2,096,022	$2,180,563	$3,264,779
Time Deposits	$50,000,000	$105,366,211	$314,403,372	$436,112,536	$652,955,841
Borrowings	$50,000,000	$105,366,211	$314,403,372	$436,112,536	$652,955,841
Accrued Int. Payable	$8,929,688	$18,817,747	$56,150,477	$77,886,973	$116,613,832
Acct. Payable/Misc.	$3,250,000	$3,806,250	$7,855,313	$8,971,594	$11,851,186
Total Liabilities	$113,179,688	$234,410,081	$694,908,557	$961,264,202	$1,437,641,480
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,683,105	$4,801,124	$9,028,134	$13,238,960
Retained Earnings (cum)	$0	$2,683,105	$4,801,124	$9,028,134	$13,238,960
Result of Period	$7,625,000	$7,927,176	$17,830,981	$17,960,805	$29,091,257
Total Capital	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
Total Liabilities & Capital	$220,804,688	$347,703,468	$922,341,786	$1,197,281,275	$1,793,210,657

PARAMETERS
BASE CASE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
BASE CASE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$237,073,975	$628,806,744	$817,711,005	$1,224,292,202
short term	$112,500,000	$177,805,481	$471,605,058	$613,283,254	$918,219,152
med term	$37,500,000	$59,268,494	$157,201,686	$204,427,751	$306,073,051
new med. term	$37,500,000	$21,768,494	$97,933,192	$47,226,065	$101,645,299
SHORT TERM (plus interest earnings)					
Class A	$30,585,938	$48,340,865	$128,217,625	$166,736,385	$249,640,832
Class B	$30,726,563	$48,563,122	$128,807,132	$167,502,989	$250,788,606
Class C	$30,937,500	$48,896,507	$129,691,391	$168,652,895	$252,510,267
Class D	$31,218,750	$49,341,021	$130,870,404	$170,186,103	$254,805,815
MED TERM (plus interest and fee earnings)					
Class A	$10,429,688	$16,296,550	$43,425,376	$56,070,460	$84,104,428
Class B	$10,500,000	$16,407,678	$43,720,130	$56,453,762	$84,678,315
Class C	$10,593,750	$16,555,849	$44,113,134	$56,964,831	$85,443,498
Class D	$10,687,500	$16,704,021	$44,506,138	$57,475,901	$86,208,681
SUB TOTAL LOAN ASSETS	$165,679,688	$261,105,614	$693,351,329	$900,043,325	$1,348,180,441
FORFAIT MRKT					
Short term					
Class A	$7,031,250	$11,112,843	$29,475,316	$38,330,203	$57,388,697
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$2,343,750	$1,360,531	$6,120,825	$2,951,629	$6,352,831
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$9,375,000	$12,473,373	$35,596,141	$41,281,832	$63,741,528
TOTAL VOLUME ASSETS/FORFAIT	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970

PARAMETERS BASE CASE, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
BASE CASE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,519,534	$17,292,185	$22,487,053	$33,668,036
Interest Income, Loans	$14,929,688	$23,596,269	$62,585,921	$81,387,798	$121,855,333
Fee Income (2% new med term)	$750,000	$1,185,370	$3,144,034	$4,088,555	$6,121,461
Trading Inc.(.25%ST + 1%MT)	$41,016	$41,387	$134,897	$125,342	$207,000
Total Income	$19,845,703	$31,342,561	$83,157,037	$108,088,748	$161,851,830
Interest Expense, Time Dep.	$4,000,000	$8,429,297	$25,152,270	$34,889,003	$52,236,467
Interest Expense, Borrowings	$4,929,688	$10,388,450	$30,998,207	$42,997,970	$64,377,365
Total Int. Expense	$8,929,688	$18,817,747	$56,150,477	$77,886,973	$116,613,832
Net Interest Income	$10,916,016	$12,524,814	$27,006,560	$30,201,775	$45,237,998
Overhead Expense	$3,250,000	$3,806,250	$7,855,313	$8,971,594	$11,851,186
Loan Loss Expense	$0	$2,667,082	$7,074,076	$9,199,249	$13,773,287
Net Income Before Taxes	$7,666,016	$6,051,482	$12,077,171	$12,030,932	$19,613,524
Tax Rate = 30%	$2,299,805	$1,815,445	$3,623,151	$3,609,280	$5,884,057
Net Income	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467

OVERHEAD, BASE CASE
BASE CASE, LOW CAPITALIZATION

	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	5	6	8
Chief Credit Officer	1	1	1	1	1
Assistants	2	2	6	6	9
Treasurer	1	1	1	1	1
Assistants	2	3	6	7	10
Chief of Operations	1	1	1	1	1
Staff	4	5	9	9	12
General Staff	11	12	26	28	35
Total Number (n)	26	29	57	62	78
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,250,000	$3,806,250	$7,855,313	$8,971,594	$11,851,186

PARAMETERS
BASE CASE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
BASE CASE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$594,259,937	$1,576,046,279	$2,052,000,975	$3,072,014,247
short term	$281,250,000	$445,694,952	$1,182,034,709	$1,539,000,731	$2,304,010,685
med term	$93,750,000	$148,564,984	$394,011,570	$513,000,244	$768,003,562
new med. term	$93,750,000	$54,814,984	$245,446,586	$118,988,674	$255,003,318
SHORT TERM (plus interest earnings)					
Class A	$76,464,844	$121,173,315	$321,365,687	$418,415,824	$626,402,905
Class B	$76,816,406	$121,730,434	$322,843,230	$420,339,575	$629,282,918
Class C	$77,343,750	$122,566,112	$325,059,545	$423,225,201	$633,602,938
Class D	$78,046,875	$123,680,349	$328,014,632	$427,072,703	$639,362,965
MED TERM (plus interest and fee earnings)					
Class A	$26,074,219	$40,850,886	$108,841,643	$140,708,135	$211,035,989
Class B	$26,250,000	$41,129,446	$109,580,415	$141,670,010	$212,475,996
Class C	$26,484,375	$41,500,858	$110,565,444	$142,952,511	$214,396,005
Class D	$26,718,750	$41,872,270	$111,550,472	$144,235,012	$216,316,014
SUB TOTAL LOAN ASSETS	$414,199,219	$654,503,671	$1,737,821,067	$2,258,618,971	$3,382,875,731
FORFAIT MRKT					
Short term					
Class A	$17,578,125	$27,855,935	$73,877,169	$96,187,546	$144,000,668
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$5,859,375	$3,425,937	$15,340,412	$7,436,792	$15,937,707
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$23,437,500	$31,281,871	$89,217,581	$103,624,338	$159,938,375
TOTAL VOLUME ASSETS/FORFAIT	$437,636,719	$685,785,542	$1,827,038,648	$2,362,243,308	$3,542,814,106

BALANCE SHEET FOR ITFF
BASE CASE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$125,000,000	$198,086,646	$525,348,760	$684,000,325	$1,024,004,749
Loans and Advances	$375,000,000	$594,259,937	$1,576,046,279	$2,052,000,975	$3,072,014,247
Furnishings/Misc/Acct Rec	$2,500,000	$2,641,155	$5,253,488	$5,472,003	$8,192,038
Accrued Interest Rec.	$49,511,719	$76,585,882	$205,116,061	$263,048,022	$395,341,876
Total Assets	$552,011,719	$871,573,620	$2,311,764,587	$3,004,521,325	$4,499,552,910
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,641,155	$5,253,488	$5,472,003	$8,192,038
Time Deposits	$125,000,000	$264,115,527	$788,023,139	$1,094,400,520	$1,638,407,598
Borrowings	$125,000,000	$264,115,527	$788,023,139	$1,094,400,520	$1,638,407,598
Accrued Int. Payable	$22,324,219	$47,169,382	$140,736,008	$195,453,093	$292,609,357
Acct. Payable/Misc.	$7,125,000	$8,662,500	$18,742,500	$21,271,359	$28,716,335
Total Liabilities	$281,949,219	$586,704,092	$1,740,778,274	$2,410,997,495	$3,606,332,927
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$7,057,764	$12,674,380	$23,600,130	$34,601,900
Retained Earnings (cum)	$0	$7,057,764	$12,674,380	$23,600,130	$34,601,900
Result of Period	$20,062,500	$20,754,000	$45,637,553	$46,323,570	$74,016,184
Total Capital	$270,062,500	$284,869,527	$570,986,313	$593,523,830	$893,219,983
Total Liabilities & Capital	$552,011,719	$871,573,620	$2,311,764,587	$3,004,521,325	$4,499,552,910

PARAMETERS
BASE CASE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
BASE CASE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$16,342,148	$43,341,273	$56,430,027	$84,480,392
Interest Income, Loans	$37,324,219	$59,147,434	$156,865,856	$204,238,222	$305,761,418
Fee Income (2% new med term)	$1,875,000	$2,971,300	$7,880,231	$10,260,005	$15,360,071
Trading Inc.(.25%ST + 1%MT)	$102,539	$103,899	$338,097	$314,837	$519,379
Total Income	$49,614,258	$78,564,781	$208,425,457	$271,243,091	$406,121,260
Interest Expense, Time Dep.	$10,000,000	$21,129,242	$63,041,851	$87,552,042	$131,072,608
Interest Expense, Borrowings	$12,324,219	$26,040,140	$77,694,156	$107,901,051	$161,536,749
Total Int. Expense	$22,324,219	$47,169,382	$140,736,008	$195,453,093	$292,609,357
Net Interest Income	$27,290,039	$31,395,399	$67,689,450	$75,789,998	$113,511,903
Overhead Expense	$7,125,000	$8,662,500	$18,742,500	$21,271,359	$28,716,335
Loan Loss Expense	$0	$6,685,424	$17,730,521	$23,085,011	$34,560,160
Net Income Before Taxes	$20,165,039	$16,047,475	$31,216,429	$31,433,627	$50,235,407
Tax Rate = 30%	$6,049,512	$4,814,242	$9,364,929	$9,430,088	$15,070,622
Net Income	$14,115,527	$11,233,232	$21,851,500	$22,003,539	$35,164,785

OVERHEAD, BASE CASE
BASE CASE, HIGH CAPITALIZATION

	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	4	6	13	15	20
Chief Credit Officer	1	1	1	1	1
Assistants	4	6	14	16	22
Treasurer	1	1	1	1	1
Assistants	5	7	16	18	24
Chief of Operations	1	1	1	1	1
Staff	11	11	23	24	30
General Staff	27	31	65	69	89
Total Number (n)	57	66	136	147	189
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,125,000	$8,662,500	$18,742,500	$21,271,359	$28,716,335

BALANCE SHEET FOR ITFF
GREATER LEVERAGE, LOW CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$50,000,000	$105,366,211	$365,549,757	$428,352,588	$799,286,569
Loans and Advances	$150,000,000	$316,098,633	$1,096,649,271	$1,285,057,765	$2,397,859,706
Furnishings/Misc/Acct Rec	$1,000,000	$1,053,662	$2,088,856	$2,141,763	$3,197,146
Accrued Interest Rec.	$19,804,688	$40,984,898	$143,211,481	$164,184,537	$310,167,125
Total Assets	$220,804,688	$463,503,403	$1,607,499,365	$1,879,736,654	$3,510,510,546
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,053,662	$2,088,856	$2,141,763	$3,197,146
Time Deposits	$50,000,000	$158,049,316	$626,656,726	$749,617,030	$1,438,715,824
Borrowings	$50,000,000	$158,049,316	$626,656,726	$749,617,030	$1,438,715,824
Accrued Int. Payable	$8,929,688	$28,226,620	$111,916,975	$133,876,916	$256,945,654
Acct. Payable/Misc.	$3,250,000	$4,987,500	$13,230,000	$13,602,094	$22,638,804
Total Liabilities	$113,179,688	$350,366,415	$1,380,549,283	$1,648,854,833	$3,160,213,251
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,683,105	$4,442,788	$7,088,147	$9,857,314
Retained Earnings (cum)	$0	$2,683,105	$4,442,788	$7,088,147	$9,857,314
Result of Period	$7,625,000	$7,770,778	$18,064,506	$16,705,527	$30,582,667
Total Capital	$107,625,000	$113,136,988	$226,950,082	$230,881,821	$350,297,295
Total Liabilities & Capital	$220,804,688	$463,503,403	$1,607,499,365	$1,879,736,654	$3,510,510,546

PARAMETERS GREATER LEVERAGE, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
GREATER LEVERAGE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$8,692,712	$30,157,855	$35,339,089	$65,941,142
Interest Income, Loans	$14,929,688	$31,461,692	$109,150,873	$127,903,406	$238,661,974
Fee Income (2% new med term)	$750,000	$1,580,493	$5,483,246	$6,425,289	$11,989,299
Trading Inc.(.25%ST + 1%MT)	$41,016	$62,996	$250,475	$180,032	$454,874
Total Income	$19,845,703	$41,797,893	$145,042,449	$169,847,815	$317,047,289
Interest Expense, Time Dep.	$4,000,000	$12,643,945	$50,132,538	$59,969,362	$115,097,266
Interest Expense, Borrowings	$4,929,688	$15,582,675	$61,784,437	$73,907,554	$141,848,388
Total Int. Expense	$8,929,688	$28,226,620	$111,916,975	$133,876,916	$256,945,654
Net Interest Income	$10,916,016	$13,571,273	$33,125,474	$35,970,898	$60,101,635
Overhead Expense	$3,250,000	$4,987,500	$13,230,000	$13,602,094	$22,638,804
Loan Loss Expense	$0	$3,556,110	$12,337,304	$14,456,900	$26,975,922
Net Income Before Taxes	$7,666,016	$5,027,664	$7,558,170	$7,911,905	$10,486,909
Tax Rate = 30%	$2,299,805	$1,508,299	$2,267,451	$2,373,571	$3,146,073
Net Income	$5,366,211	$3,519,365	$5,290,719	$5,538,333	$7,340,836

Scenario 1: Greater Leverage

Leverage -

year one: 2:1
year two: 4:1
year three: 7:1
year four: 8:1
year five: 10:1

PARAMETERS
GREATER LEVERAGE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	4	7	8	10
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
GREATER LEVERAGE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$316,098,633	$1,096,649,271	$1,285,057,765	$2,397,859,706
short term	$112,500,000	$237,073,975	$822,486,953	$963,793,324	$1,798,394,779
med term	$37,500,000	$79,024,658	$274,162,318	$321,264,441	$599,464,926
new med. term	$37,500,000	$41,524,658	$195,137,660	$47,102,124	$278,200,485
SHORT TERM (plus interest earnings)					
Class A	$30,585,938	$64,454,487	$223,613,640	$262,031,310	$488,938,581
Class B	$30,726,563	$64,750,829	$224,641,749	$263,236,052	$491,186,574
Class C	$30,937,500	$65,195,343	$226,183,912	$265,043,164	$494,558,564
Class D	$31,218,750	$65,788,028	$228,240,130	$267,452,647	$499,054,551
MED TERM (plus interest and fee earnings)					
Class A	$10,429,688	$21,791,233	$75,856,271	$87,980,861	$165,119,860
Class B	$10,500,000	$21,939,404	$76,370,326	$88,583,232	$166,243,857
Class C	$10,593,750	$22,136,966	$77,055,731	$89,386,393	$167,742,520
Class D	$10,687,500	$22,334,528	$77,741,137	$90,189,554	$169,241,182
SUB TOTAL LOAN ASSETS	$165,679,688	$348,390,818	$1,209,702,897	$1,413,903,214	$2,642,085,689
FORFAIT MRKT					
Short term					
Class A	$7,031,250	$14,817,123	$51,405,435	$60,237,083	$112,399,674
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$2,343,750	$2,595,291	$12,196,104	$2,943,883	$17,387,530
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$9,375,000	$17,412,415	$63,601,538	$63,180,965	$129,787,204
TOTAL VOLUME ASSETS/FORFAIT	$175,054,688	$3[illegible],233	$1,273,304,435	$1,477,084,179	$2,771,872,894

OVERHEAD, BASE CASE GREATER LEVERAGE, LOW CAPITALIZATI	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	3	9	9	15
Chief Credit Officer	1	1	1	1	1
Assistants	2	3	10	10	17
Treasurer	1	1	1	1	1
Assistants	2	4	11	11	19
Chief of Operations	1	1	1	1	1
Staff	4	6	16	15	23
General Staff	11	17	45	43	69
Total Number (n)	26	38	96	94	149
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,250,000	$4,987,500	$13,230,000	$13,602,094	$22,638,804

RESULTS OF SENSITIVITY ANALYSIS
GREATER LEVERAGE, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$175,054,688	$365,803,233	$1,273,304,435	$1,477,084,179	$2,771,872,894
Class A	$50,390,625	$103,658,134	$363,071,450	$413,193,137	$783,845,645
Class B	$41,226,563	$86,690,234	$301,012,075	$351,819,284	$657,430,431
Class C	$41,531,250	$87,332,309	$303,239,644	$354,429,557	$662,301,084
Class D	$41,906,250	$88,122,556	$305,981,267	$357,642,202	$668,295,733
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$5,366,211	$3,519,365	$5,290,719	$5,538,333	$7,340,836
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$107,625,000	$113,136,988	$226,950,082	$230,881,821	$350,297,295
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	5.0%	3.1%	2.3%	2.4%	2.1%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	3.1%	1.0%	0.4%	0.4%	0.3%

PARAMETERS
GREATER LEVERAGE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	4	7	8	10
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
GREATER LEVERAGE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$792,346,582	$2,749,402,019	$3,225,626,802	$6,017,338,868
short term	$281,250,000	$594,259,937	$2,062,051,514	$2,419,220,102	$4,513,004,151
med term	$93,750,000	$198,086,646	$687,350,505	$806,406,701	$1,504,334,717
new med. term	$93,750,000	$104,336,646	$489,263,859	$119,056,196	$697,928,016
SHORT TERM (plus interest earnings)					
Class A	$76,464,844	$161,564,420	$560,620,255	$657,725,465	$1,226,973,004
Class B	$76,816,406	$162,307,245	$563,197,820	$660,749,490	$1,232,614,259
Class C	$77,343,750	$163,421,483	$567,064,166	$665,285,528	$1,241,076,142
Class D	$78,046,875	$164,907,132	$572,219,295	$671,333,578	$1,252,358,652
MED TERM (plus interest and fee earnings)					
Class A	$26,074,219	$54,624,098	$190,178,926	$220,845,111	$414,361,060
Class B	$26,250,000	$54,995,511	$191,467,708	$222,357,124	$417,181,687
Class C	$26,484,375	$55,490,727	$193,186,084	$224,373,140	$420,942,524
Class D	$26,718,750	$55,985,944	$194,904,461	$226,389,157	$424,703,361
SUB TOTAL LOAN ASSETS	$414,199,219	$873,296,561	$3,032,838,716	$3,549,058,594	$6,630,210,688
FORFAIT MRKT					
Short term					
Class A	$17,578,125	$37,141,246	$128,878,220	$151,201,256	$282,062,759
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$5,859,375	$6,521,040	$30,578,991	$7,441,012	$43,620,501
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$23,437,500	$43,662,286	$159,457,211	$158,642,269	$325,683,260
TOTAL VOLUME ASSETS/FORFAIT	$437,636,719	$916,958,847	$3,192,295,927	$3,707,700,863	$6,955,893,948

BALANCE SHEET FOR ITFF
GREATER LEVERAGE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$125,000,000	$264,115,527	$916,467,340	$1,075,208,934	$2,005,779,623
Loans and Advances	$375,000,000	$792,346,582	$2,749,402,019	$3,225,626,802	$6,017,338,868
Furnishings/Misc/Acct Rec	$2,500,000	$2,641,155	$5,236,956	$5,376,045	$8,023,118
Accrued Interest Rec.	$49,511,719	$102,739,510	$359,045,252	$412,136,529	$778,348,638
Total Assets	$552,011,719	$1,161,842,774	$4,030,151,567	$4,718,348,310	$8,809,490,248
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,641,155	$5,236,956	$5,376,045	$8,023,118
Time Deposits	$125,000,000	$396,173,291	$1,571,086,868	$1,881,615,635	$3,610,403,321
Borrowings	$125,000,000	$396,173,291	$1,571,086,868	$1,881,615,635	$3,610,403,321
Accrued Int. Payable	$22,324,219	$70,754,074	$280,586,295	$336,044,792	$644,795,468
Acct. Payable/Misc.	$7,125,000	$11,418,750	$32,248,125	$32,992,313	$55,761,349
Total Liabilities	$281,949,219	$877,160,561	$3,460,245,112	$4,137,644,419	$7,929,386,577
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$7,057,764	$11,847,811	$18,802,234	$26,155,925
Retained Earnings (cum)	$0	$7,057,764	$11,847,811	$18,802,234	$26,155,925
Result of Period	$20,062,500	$20,566,686	$46,210,832	$43,099,424	$77,791,821
Total Capital	$270,062,500	$284,682,213	$569,906,455	$580,703,891	$880,103,670
Total Liabilities & Capital	$552,011,719	$1,161,842,774	$4,030,151,567	$4,718,348,310	$8,809,490,248

PARAMETERS
GREATER LEVERAGE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF

GREATER LEVERAGE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$21,789,531	$75,608,556	$88,704,737	$165,476,819
Interest Income, Loans	$37,324,219	$78,863,246	$273,651,420	$321,050,668	$598,913,259
Fee Income (2% new med term)	$1,875,000	$3,961,733	$13,747,010	$16,128,134	$30,086,694
Trading Inc.(.25%ST + 1%MT)	$102,539	$158,064	$627,985	$452,413	$1,141,362
Total Income	$49,614,258	$104,772,573	$363,634,971	$426,335,952	$795,618,134
Interest Expense, Time Dep.	$10,000,000	$31,693,863	$125,686,949	$150,529,251	$288,832,266
Interest Expense, Borrowings	$12,324,219	$39,060,210	$154,899,346	$185,515,541	$355,963,202
Total Int. Expense	$22,324,219	$70,754,074	$280,586,295	$336,044,792	$644,795,468
Net Interest Income	$27,290,039	$34,018,499	$83,048,675	$90,291,160	$150,822,666
Overhead Expense	$7,125,000	$11,418,750	$32,248,125	$32,992,313	$55,761,349
Loan Loss Expense	$0	$8,913,899	$30,930,773	$36,288,302	$67,695,062
Net Income Before Taxes	$20,165,039	$13,685,850	$19,869,778	$21,010,546	$27,366,255
Tax Rate = 30%	$6,049,512	$4,105,755	$5,960,933	$6,303,164	$8,209,876
Net Income	$14,115,527	$9,580,095	$13,908,844	$14,707,382	$19,156,378

OVERHEAD, BASE CASE GREATER LEVERAGE, HIGH CAPITALIZAT	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	4	8	23	23	39
Chief Credit Officer	1	1	1	1	1
Assistants	4	8	25	26	43
Treasurer	1	1	1	1	1
Assistants	5	9	28	29	48
Chief of Operations	1	1	1	1	1
Staff	11	15	40	37	58
General Staff	27	42	114	109	174
Total Number (n)	57	87	234	228	367
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,125,000	$11,418,750	$32,248,125	$32,992,313	$55,761,349

Scenario 2: Less Liquidity

Liquidity - 10% of earning assets

PARAMETERS LESS LIQUIDITY, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	10.0%	10.0%	10.0%	10.0%	10.0%
% Capital as loans and advances	90.0%	90.0%	90.0%	90.0%	90.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
LESS LIQUIDITY, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$180,000,000	$284,808,445	$754,679,102	$980,982,464	$1,469,478,983
short term	$135,000,000	$213,606,334	$566,009,327	$735,736,848	$1,102,109,237
med term	$45,000,000	$71,202,111	$188,669,776	$245,245,616	$367,369,746
new med. term	$45,000,000	$26,202,111	$117,467,664	$56,575,840	$122,124,130
SHORT TERM (plus interest earnings)					
Class A	$36,703,125	$58,074,222	$153,883,786	$200,028,455	$299,635,949
Class B	$36,871,875	$58,341,230	$154,591,297	$200,948,127	$301,013,585
Class C	$37,125,000	$58,741,742	$155,652,565	$202,327,633	$303,080,040
Class D	$37,462,500	$59,275,758	$157,067,588	$204,166,975	$305,835,313
MED TERM (plus interest and fee earnings)					
Class A	$12,515,625	$19,578,087	$52,117,771	$67,265,588	$100,948,482
Class B	$12,600,000	$19,711,591	$52,471,527	$67,725,424	$101,637,301
Class C	$12,712,500	$19,889,596	$52,943,201	$68,338,538	$102,555,725
Class D	$12,825,000	$20,067,602	$53,414,875	$68,951,652	$103,474,149
SUB TOTAL LOAN ASSETS	$198,815,625	$313,679,828	$832,142,610	$1,079,752,391	$1,618,180,546
FORFAIT MRKT					
Short term					
Class A	$8,437,500	$13,350,396	$35,375,583	$45,983,553	$68,881,827
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$2,812,500	$1,637,632	$7,341,729	$3,535,990	$7,632,758
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$11,250,000	$14,988,028	$42,717,312	$49,519,543	$76,514,585
TOTAL VOLUME ASSETS/FORFAIT	$210,065,625	$328,667,856	$874,859,922	$1,129,271,934	$1,694,695,131

RESULTS OF SENSITIVITY ANALYSIS
GREATER LEVERAGE, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$437,636,719	$916,958,847	$3,192,295,927	$3,707,700,863	$6,955,893,948
Class A	$125,976,563	$259,850,805	$910,256,392	$1,037,212,845	$1,967,017,324
Class B	$103,066,406	$217,302,756	$754,665,528	$883,106,614	$1,649,795,946
Class C	$103,828,125	$218,912,210	$760,250,251	$889,658,668	$1,662,018,666
Class D	$104,765,625	$220,893,076	$767,123,756	$897,722,735	$1,677,062,013
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$14,115,527	$9,580,095	$13,908,844	$14,707,382	$19,156,378
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$270,062,500	$284,682,213	$569,906,455	$580,703,891	$880,103,670
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	5.2%	3.4%	2.4%	2.5%	2.2%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	3.2%	1.0%	0.4%	0.4%	0.3%

BALANCE SHEET FOR ITFF
LESS LIQUIDITY, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$20,000,000	$31,645,383	$83,853,234	$108,998,052	$163,275,443
Loans and Advances	$180,000,000	$284,808,445	$754,679,102	$980,982,464	$1,469,478,983
Furnishings/Misc/Acct Rec	$1,000,000	$1,054,846	$2,096,331	$2,179,961	$3,265,509
Accrued Interest Rec.	$20,465,625	$31,482,127	$84,381,399	$107,762,267	$162,171,787
Total Assets	$221,465,625	$348,990,801	$925,010,066	$1,199,922,743	$1,798,191,721
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,054,846	$2,096,331	$2,179,961	$3,265,509
Time Deposits	$50,000,000	$105,484,609	$314,449,626	$435,992,206	$653,101,770
Borrowings	$50,000,000	$105,484,609	$314,449,626	$435,992,206	$653,101,770
Accrued Int. Payable	$8,929,688	$18,838,892	$56,158,738	$77,865,483	$116,639,894
Acct. Payable/Misc.	$3,750,000	$4,462,500	$9,371,250	$10,563,328	$14,130,260
Total Liabilities	$113,679,688	$235,325,457	$696,525,571	$962,593,184	$1,440,239,204
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,742,305	$4,816,542	$8,998,052	$13,275,443
Retained Earnings (cum)	$0	$2,742,305	$4,816,542	$8,998,052	$13,275,443
Result of Period	$7,785,938	$8,180,735	$18,851,412	$19,333,456	$31,401,632
Total Capital	$107,785,938	$113,665,344	$228,484,495	$237,329,559	$357,952,517
Total Liabilities & Capital	$221,465,625	$348,990,801	$925,010,066	$1,199,922,743	$1,798,191,721

PARAMETERS - LESS LIQUIDITY, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
LESS LIQUIDITY, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$1,650,000	$2,610,744	$6,917,892	$8,992,339	$13,470,224
Interest Income, Loans	$17,915,625	$28,347,341	$75,114,154	$97,638,411	$146,259,080
Fee Income (2% new med term)	$900,000	$1,424,042	$3,773,396	$4,904,912	$7,347,395
Trading Inc.(.25%ST + 1%MT)	$49,219	$49,752	$161,856	$150,319	$248,532
Total Income	$20,514,844	$32,431,879	$85,967,298	$111,685,981	$167,325,231
Interest Expense, Time Dep.	$4,000,000	$8,438,769	$25,155,970	$34,879,376	$52,248,142
Interest Expense, Borrowings	$4,929,688	$10,400,123	$31,002,768	$42,986,107	$64,391,753
Total Int. Expense	$8,929,688	$18,838,892	$56,158,738	$77,865,483	$116,639,894
Net Interest Income	$11,585,156	$13,592,987	$29,808,560	$33,820,498	$50,685,337
Overhead Expense	$3,750,000	$4,462,500	$9,371,250	$10,563,328	$14,130,260
Loan Loss Expense	$0	$3,204,095	$8,490,140	$11,036,053	$16,531,639
Net Income Before Taxes	$7,835,156	$5,926,392	$11,947,170	$12,221,117	$20,023,438
Tax Rate = 30%	$2,350,547	$1,777,918	$3,584,151	$3,666,335	$6,007,031
Net Income	$5,484,609	$4,148,475	$8,363,019	$8,554,782	$14,016,407

OVERHEAD, BASE CASE LESS LIQUIDITY, LOW CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	3	6	7	9
Chief Credit Officer	1	1	1	1	1
Assistants	2	3	7	8	11
Treasurer	1	1	1	1	1
Assistants	2	3	8	9	12
Chief of Operations	1	1	1	1	1
Staff	5	5	11	11	14
General Staff	13	15	31	33	42
Total Number (n)	30	34	68	73	93
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,750,000	$4,462,500	$9,371,250	$10,563,328	$14,130,260

BALANCE SHEET FOR ITFF
LESS LIQUIDITY, HIGH CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$50,000,000	$79,297,207	$210,152,270	$273,576,191	$409,678,115
Loans and Advances	$450,000,000	$713,674,863	$1,891,370,432	$2,462,185,719	$3,687,103,036
Furnishings/Misc/Acct Rec	$2,500,000	$2,643,240	$5,253,807	$5,471,524	$8,193,562
Accrued Interest Rec.	$51,164,063	$78,893,345	$211,476,503	$270,488,535	$406,905,005
Total Assets	$553,664,063	$874,508,656	$2,318,253,012	$3,011,721,968	$4,511,879,719
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,643,240	$5,253,807	$5,471,524	$8,193,562
Time Deposits	$125,000,000	$264,324,023	$788,071,013	$1,094,304,764	$1,638,712,460
Borrowings	$125,000,000	$264,324,023	$788,071,013	$1,094,304,764	$1,638,712,460
Accrued Int. Payable	$22,324,219	$47,206,619	$140,744,558	$195,435,991	$292,663,803
Acct. Payable/Misc.	$8,500,000	$10,237,500	$22,325,625	$25,467,750	$34,338,052
Total Liabilities	$283,324,219	$588,735,406	$1,744,466,016	$2,414,984,793	$3,612,620,338
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$7,162,012	$12,690,338	$23,576,191	$34,678,115
Retained Earnings (cum)	$0	$7,162,012	$12,690,338	$23,576,191	$34,678,115
Result of Period	$20,339,844	$21,449,227	$48,406,321	$49,584,793	$79,903,150
Total Capital	$270,339,844	$285,773,250	$573,786,996	$596,737,175	$899,259,380
Total Liabilities & Capital	$553,664,063	$874,508,656	$2,318,253,012	$3,011,721,968	$4,511,879,719

PARAMETERS LESS LIQUIDITY, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

RESULTS OF SENSITIVITY ANALYSIS
LESS LIQUIDITY, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$210,065,625	$328,667,856	$874,859,922	$1,129,271,934	$1,694,695,131
Class A	$60,468,750	$92,640,337	$248,718,868	$316,813,587	$477,099,017
Class B	$49,471,875	$78,052,821	$207,062,824	$268,673,550	$402,650,886
Class C	$49,837,500	$78,631,338	$208,595,766	$270,666,171	$405,635,765
Class D	$50,287,500	$79,343,359	$210,482,464	$273,118,627	$409,309,463
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$5,484,609	$4,148,475	$8,363,019	$8,554,782	$14,016,407
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$107,785,938	$113,665,344	$228,484,495	$237,329,559	$357,952,517
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	5.1%	3.6%	3.7%	3.6%	3.9%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.6%	1.3%	1.0%	0.8%	0.8%

PARAMETERS ·
LESS LIQUIDITY, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	10.0%	10.0%	10.0%	10.0%	10.0%
% Capital as loans and advances	90.0%	90.0%	90.0%	90.0%	90.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
LESS LIQUIDITY, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$450,000,000	$713,674,863	$1,891,370,432	$2,462,185,719	$3,687,103,036
short term	$337,500,000	$535,256,147	$1,418,527,824	$1,846,639,289	$2,765,327,277
med term	$112,500,000	$178,418,716	$472,842,608	$615,546,430	$921,775,759
new med. term	$112,500,000	$65,918,716	$294,423,892	$142,703,822	$306,229,329
SHORT TERM (plus interest earnings)					
Class A	$91,757,813	$145,522,765	$385,662,252	$502,055,057	$751,823,353
Class B	$92,179,688	$146,191,835	$387,435,412	$504,363,356	$755,280,013
Class C	$92,812,500	$147,195,441	$390,095,152	$507,825,805	$760,465,001
Class D	$93,656,250	$148,533,581	$393,641,471	$512,442,403	$767,378,319
MED TERM (plus interest and fee earnings)					
Class A	$31,289,063	$49,060,205	$130,617,257	$168,834,638	$253,291,151
Class B	$31,500,000	$49,394,740	$131,503,837	$169,988,787	$255,019,480
Class C	$31,781,250	$49,840,787	$132,685,943	$171,527,653	$257,323,920
Class D	$32,062,500	$50,286,834	$133,868,050	$173,066,519	$259,628,359
SUB TOTAL LOAN ASSETS	$497,039,063	$786,026,189	$2,085,509,373	$2,710,104,218	$4,060,209,597
FORFAIT MRKT					
Short term					
Class A	$21,093,750	$33,453,509	$88,657,989	$115,414,956	$172,832,955
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$7,031,250	$4,119,920	$18,401,493	$8,918,989	$19,139,333
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$28,125,000	$37,573,429	$107,059,482	$124,333,944	$191,972,288
TOTAL VOLUME ASSETS/FORFAIT	$525,164,063	$823,599,618	$2,192,568,855	$2,834,438,162	$4,252,181,885

INCOME STATEMENT FOR ITFF
LESS LIQUIDITY, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,542,020	$17,337,562	$22,570,036	$33,798,444
Interest Income, Loans	$44,789,063	$71,032,951	$188,250,463	$245,064,422	$366,981,974
Fee Income (2% new med term)	$2,250,000	$3,568,374	$9,456,852	$12,310,929	$18,435,515
Trading Inc.(.25%ST + 1%MT)	$123,047	$124,833	$405,660	$377,727	$623,476
Total Income	$51,287,109	$81,268,178	$215,450,538	$280,323,114	$419,839,409
Interest Expense, Time Dep.	$10,000,000	$21,145,922	$63,045,681	$87,544,381	$131,096,997
Interest Expense, Borrowings	$12,324,219	$26,060,697	$77,698,876	$107,891,610	$161,566,807
Total Int. Expense	$22,324,219	$47,206,619	$140,744,558	$195,435,991	$292,663,803
Net Interest Income	$28,962,891	$34,061,560	$74,705,980	$84,887,123	$127,175,606
Overhead Expense	$8,500,000	$10,237,500	$22,325,625	$25,467,750	$34,338,052
Loan Loss Expense	$0	$8,028,842	$21,277,917	$27,699,589	$41,479,909
Net Income Before Taxes	$20,462,891	$15,795,217	$31,102,438	$31,719,783	$51,357,645
Tax Rate = 30%	$6,138,867	$4,738,565	$9,330,731	$9,515,935	$15,407,294
Net Income	$14,324,023	$11,056,652	$21,771,706	$22,203,848	$35,950,352

RESULTS OF SENSITIVITY ANALYSIS
LESS LIQUIDITY, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$525,164,063	$823,599,618	$2,192,568,855	$2,834,438,162	$4,252,181,885
Class A	$151,171,875	$232,156,399	$623,338,991	$795,223,639	$1,197,086,792
Class B	$123,679,688	$195,586,576	$518,939,249	$674,352,143	$1,010,299,493
Class C	$124,593,750	$197,036,228	$522,781,095	$679,353,458	$1,017,788,921
Class D	$125,718,750	$198,820,415	$527,509,521	$685,508,922	$1,027,006,679
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$14,324,023	$11,056,652	$21,771,706	$22,203,848	$35,950,352
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$270,339,844	$285,773,250	$573,786,996	$596,737,175	$899,259,380
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	5.3%	3.9%	3.8%	3.7%	4.0%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.7%	1.3%	1.0%	0.8%	0.8%

BALANCE SHEET FOR ITFF
LESS M-T LENDING, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$50,000,000	$78,636,650	$208,294,002	$268,374,369	$400,676,294
Loans and Advances	$150,000,000	$235,909,951	$624,882,007	$805,123,107	$1,202,028,882
Furnishings/Misc/Acct Rec	$1,000,000	$1,048,489	$2,082,940	$2,146,995	$3,205,410
Accrued Interest Rec.	$18,960,938	$29,670,492	$78,753,081	$101,147,711	$151,138,840
Total Assets	$219,960,938	$345,265,582	$914,012,030	$1,176,792,182	$1,757,049,426
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,048,489	$2,082,940	$2,146,995	$3,205,410
Time Deposits	$50,000,000	$104,848,867	$312,441,003	$429,398,991	$641,082,070
Borrowings	$50,000,000	$104,848,867	$312,441,003	$429,398,991	$641,082,070
Accrued Int. Payable	$8,810,938	$18,476,336	$55,057,963	$75,668,153	$112,970,681
Acct. Payable/Misc.	$3,250,000	$3,806,250	$7,855,313	$8,826,891	$11,699,248
Total Liabilities	$113,060,938	$233,028,809	$689,878,222	$945,440,020	$1,410,039,479
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,424,434	$4,147,001	$7,349,748	$10,270,518
Retained Earnings (cum)	$0	$2,424,434	$4,147,001	$7,349,748	$10,270,518
Result of Period	$6,900,000	$7,387,906	$15,839,806	$16,652,667	$26,468,911
Total Capital	$106,900,000	$112,236,773	$224,133,808	$231,352,162	$347,009,947
Total Liabilities & Capital	$219,960,938	$345,265,582	$914,012,030	$1,176,792,182	$1,757,049,426

PARAMETERS LESS M-T LENDING, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.62%	1.62%	1.62%	1.62%	1.62%

OVERHEAD, BASE CASE LESS LIQUIDITY, HIGH CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	5	7	16	18	24
Chief Credit Officer	1	1	1	1	1
Assistants	5	7	17	20	27
Treasurer	1	1	1	1	1
Assistants	6	8	19	22	29
Chief of Operations	1	1	1	1	1
Staff	13	14	27	28	35
General Staff	33	37	78	83	106
Total Number (n)	68	78	162	176	226
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$8,500,000	$10,237,500	$22,325,625	$25,467,750	$34,338,052

Scenario 3: Less Medium-Term Lending

Maturity Profile - 95% in short-term

PARAMETERS
LESS M-T LENDING, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	95.0%	95.0%	95.0%	95.0%	95.0%
% Medium-term Loans	5.0%	5.0%	5.0%	5.0%	5.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	1.8%	1.8%	1.8%	1.8%	1.8%

ASSET ALLOCATION WORKSHEET
LESS M-T LENDING, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$235,909,951	$624,882,007	$805,123,107	$1,202,028,882
short term	$142,500,000	$224,114,454	$593,637,907	$764,866,952	$1,141,927,438
med term	$7,500,000	$11,795,498	$31,244,100	$40,256,155	$60,101,444
new med. term	$7,500,000	$4,295,498	$19,448,603	$9,012,055	$19,845,289
SHORT TERM (plus interest earnings)					
Class A	$38,742,188	$60,931,117	$161,395,306	$207,948,203	$310,461,522
Class B	$38,920,313	$61,211,260	$162,137,353	$208,904,286	$311,888,931
Class C	$39,187,500	$61,631,475	$163,250,424	$210,338,412	$314,030,045
Class D	$39,543,750	$62,191,761	$164,734,519	$212,250,579	$316,884,864
MED TERM (plus interest and fee earnings)					
Class A	$2,085,938	$3,243,123	$8,630,788	$11,040,023	$16,514,433
Class B	$2,100,000	$3,265,239	$8,689,371	$11,115,503	$16,627,124
Class C	$2,118,750	$3,294,728	$8,767,481	$11,216,143	$16,777,377
Class D	$2,137,500	$3,324,217	$8,845,591	$11,316,784	$16,927,631
SUB TOTAL LOAN ASSETS	$164,835,938	$259,092,920	$686,450,833	$884,129,933	$1,320,111,928
FORFAIT MRKT					
Short term					
Class A	$8,906,250	$14,007,153	$37,102,369	$47,804,185	$71,370,465
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$468,750	$268,469	$1,215,538	$563,253	$1,240,331
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$9,375,000	$14,275,622	$38,317,907	$48,367,438	$72,610,795
TOTAL VOLUME ASSETS/FORFAIT	$174,210,938	$273,368,542	$724,768,740	$932,497,371	$1,392,722,723

INCOME STATEMENT FOR ITFF
LESS M-T LENDING, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,487,524	$17,184,255	$22,140,885	$33,055,794
Interest Income, Loans	$14,685,938	$23,097,059	$61,179,854	$78,826,584	$117,686,140
Fee Income (2% new med term)	$150,000	$235,910	$624,882	$805,123	$1,202,029
Trading Inc.(.25%ST + 1%MT)	$26,953	$37,703	$104,911	$125,143	$190,829
Total Income	$18,987,891	$29,858,195	$79,093,902	$101,897,736	$152,134,793
Interest Expense, Time Dep.	$4,000,000	$8,387,909	$24,995,280	$34,351,919	$51,286,566
Interest Expense, Borrowings	$4,810,938	$10,088,427	$30,062,683	$41,316,234	$61,684,115
Total Int. Expense	$8,810,938	$18,476,336	$55,057,963	$75,668,153	$112,970,681
Net Interest Income	$10,176,953	$11,381,859	$24,035,939	$26,229,582	$39,164,112
Overhead Expense	$3,250,000	$3,806,250	$7,855,313	$8,826,891	$11,699,248
Loan Loss Expense	$0	$2,653,987	$7,029,923	$9,057,635	$13,522,825
Net Income Before Taxes	$6,926,953	$4,921,622	$9,150,704	$8,345,057	$13,942,039
Tax Rate = 30%	$2,078,086	$1,476,486	$2,745,211	$2,503,517	$4,182,612
Net Income	$4,848,867	$3,445,135	$6,405,493	$5,841,540	$9,759,427

RESULTS OF SENSITIVITY ANALYSIS LESS M-T LENDING, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$174,210,938	$273,368,542	$724,768,740	$932,497,371	$1,392,722,723
Class A	$50,203,125	$78,449,862	$208,344,001	$267,355,663	$399,586,751
Class B	$41,020,313	$64,476,499	$170,826,724	$220,019,789	$328,516,055
Class C	$41,306,250	$64,926,203	$172,017,905	$221,554,555	$330,807,422
Class D	$41,681,250	$65,515,978	$173,580,110	$223,567,363	$333,812,495
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$4,848,867	$3,445,135	$6,405,493	$5,841,540	$9,759,427
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$106,900,000	$112,236,773	$224,133,808	$231,352,162	$347,009,947
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.5%	3.1%	2.9%	2.5%	2.8%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.8%	1.3%	0.9%	0.6%	0.7%

PARAMETERS
LESS M-T LENDING, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	95.0%	95.0%	95.0%	95.0%	95.0%
% Medium-term Loans	5.0%	5.0%	5.0%	5.0%	5.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	1.8%	1.8%	1.8%	1.8%	1.8%

OVERHEAD, BASE CASE LESS M-T LENDING, LOW CAPITALIZATIO	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	5	6	8
Chief Credit Officer	1	1	1	1	1
Assistants	2	2	6	6	9
Treasurer	1	1	1	1	1
Assistants	2	3	6	7	10
Chief of Operations	1	1	1	1	1
Staff	4	5	9	9	12
General Staff	11	12	26	27	35
Total Number (n)	26	29	57	61	77
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,250,000	$3,806,250	$7,855,313	$8,826,891	$11,699,248

BALANCE SHEET FOR ITFF
LESS M-T LENDING, HIGH CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$125,000,000	$197,116,626	$522,073,004	$673,608,398	$1,005,335,893
Loans and Advances	$375,000,000	$591,349,878	$1,566,219,012	$2,020,825,195	$3,016,007,680
Furnishings/Misc/Acct Rec	$2,500,000	$2,628,222	$5,220,730	$5,388,867	$8,042,687
Accrued Interest Rec.	$47,402,344	$74,375,321	$197,388,522	$253,878,716	$379,221,396
Total Assets	$549,902,344	$865,470,046	$2,290,901,268	$2,953,701,177	$4,408,607,656
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,628,222	$5,220,730	$5,388,867	$8,042,687
Time Deposits	$125,000,000	$262,822,168	$783,109,506	$1,077,773,437	$1,608,537,429
Borrowings	$125,000,000	$262,822,168	$783,109,506	$1,077,773,437	$1,608,537,429
Accrued Int. Payable	$22,027,344	$46,314,194	$137,998,578	$189,923,888	$283,454,455
Acct. Payable/Misc.	$7,125,000	$8,662,500	$18,604,688	$21,126,656	$28,412,459
Total Liabilities	$281,652,344	$583,249,252	$1,728,043,007	$2,371,986,286	$3,536,984,460
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$6,411,084	$11,036,502	$19,443,359	$27,134,357
Retained Earnings (cum)	$0	$6,411,084	$11,036,502	$19,443,359	$27,134,357
Result of Period	$18,250,000	$19,398,627	$40,785,256	$42,828,172	$67,354,482
Total Capital	$268,250,000	$282,220,795	$562,858,260	$581,714,890	$871,623,197
Total Liabilities & Capital	$549,902,344	$865,470,046	$2,290,901,268	$2,953,701,177	$4,408,607,656

PARAMETERS
LESS M-T LENDING, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.62%	1.62%	1.62%	1.62%	1.62%

ASSET ALLOCATION WORKSHEET
LESS M-T LENDING, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$591,349,878	$1,566,219,012	$2,020,825,195	$3,016,007,680
short term	$356,250,000	$561,782,384	$1,487,908,061	$1,919,783,936	$2,865,207,296
med term	$18,750,000	$29,567,494	$78,310,951	$101,041,260	$150,800,384
new med. term	$18,750,000	$10,817,494	$48,743,457	$22,730,309	$49,759,124
SHORT TERM (plus interest earnings)					
Class A	$96,855,469	$152,734,586	$404,525,004	$521,941,257	$778,978,234
Class B	$97,300,781	$153,436,814	$406,384,889	$524,340,987	$782,559,743
Class C	$97,968,750	$154,490,156	$409,174,717	$527,940,582	$787,932,006
Class D	$98,859,375	$155,894,612	$412,894,487	$532,740,042	$795,095,025
MED TERM (plus interest and fee earnings)					
Class A	$5,214,844	$8,129,709	$21,632,396	$27,710,546	$41,436,151
Class B	$5,250,000	$8,185,148	$21,779,229	$27,899,998	$41,718,901
Class C	$5,296,875	$8,259,067	$21,975,006	$28,152,601	$42,095,902
Class D	$5,343,750	$8,332,986	$22,170,783	$28,405,204	$42,472,903
SUB TOTAL LOAN ASSETS	$412,089,844	$649,463,077	$1,720,536,511	$2,219,131,218	$3,312,288,864
FORFAIT MRKT					
Short term					
Class A	$22,265,625	$35,111,399	$92,994,254	$119,986,496	$179,075,456
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$1,171,875	$676,093	$3,046,466	$1,420,644	$3,109,945
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$23,437,500	$35,787,492	$96,040,720	$121,407,140	$182,185,401
TOTAL VOLUME ASSETS/FORFAIT	$435,527,344	$685,250,569	$1,816,577,231	$2,340,538,359	$3,494,474,266

OVERHEAD, BASE CASE LESS M-T LENDING, HIGH CAPITALIZATIO	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	4	6	13	15	19
Chief Credit Officer	1	1	1	1	1
Assistants	4	6	14	16	22
Treasurer	1	1	1	1	1
Assistants	5	7	16	18	24
Chief of Operations	1	1	1	1	1
Staff	11	11	23	23	29
General Staff	27	31	65	69	87
Total Number (n)	57	66	135	146	187
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,125,000	$8,662,500	$18,604,688	$21,126,656	$28,412,459

Scenario 4: Smaller Share of Loans to Riskier Country Classes

Risk Profile - Short-term: 50% to Class A
30% to Class B
20% to Class C

Medium-term: 75% to Class A
25% to Class B

PARAMETERS LESS RISK, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	50.0%	50.0%	50.0%	50.0%	50.0%
Class B Share	30.0%	30.0%	30.0%	30.0%	30.0%
Class C Share	20.0%	20.0%	20.0%	20.0%	20.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Maturity Profile - Medium term					
Class A Share	75.0%	75.0%	75.0%	75.0%	75.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	0.0%	0.0%	0.0%	0.0%	0.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Share of total loans					
Class A Share	56.3%	56.3%	56.3%	56.3%	56.3%
Class B Share	28.8%	28.8%	28.8%	28.8%	28.8%
Class C Share	15.0%	15.0%	15.0%	15.0%	15.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	1.2%	1.2%	1.2%	1.2%	1.2%

INCOME STATEMENT FOR ITFF
LESS M-T LENDING, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$16,262,122	$43,071,023	$55,572,693	$82,940,211
Interest Income, Loans	$36,714,844	$57,896,849	$153,342,630	$197,851,417	$295,286,002
Fee Income (2% new med term)	$375,000	$591,350	$1,566,219	$2,020,825	$3,016,008
Trading Inc.(.25%ST + 1%MT)	$67,383	$94,539	$262,950	$314,173	$478,788
Total Income	$47,469,727	$74,844,860	$198,242,822	$255,759,108	$381,721,009
Interest Expense, Time Dep.	$10,000,000	$21,025,773	$62,648,760	$86,221,875	$128,682,994
Interest Expense, Borrowings	$12,027,344	$25,288,420	$75,349,818	$103,702,013	$154,771,461
Total Int. Expense	$22,027,344	$46,314,194	$137,998,578	$189,923,888	$283,454,455
Net Interest Income	$25,442,383	$28,530,666	$60,244,244	$65,835,220	$98,266,554
Overhead Expense	$7,125,000	$8,662,500	$18,604,688	$21,126,656	$28,412,459
Loan Loss Expense	$0	$6,652,686	$17,619,964	$22,734,283	$33,930,086
Net Income Before Taxes	$18,317,383	$13,215,480	$24,019,593	$21,974,280	$35,924,009
Tax Rate = 30%	$5,495,215	$3,964,644	$7,205,878	$6,592,284	$10,777,203
Net Income	$12,822,168	$9,250,836	$16,813,715	$15,381,996	$25,146,806

RESULTS OF SENSITIVITY ANALYSIS
LESS M-T LENDING, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$435,527,344	$685,250,569	$1,816,577,231	$2,340,538,359	$3,494,474,266
Class A	$125,507,813	$196,651,787	$522,198,120	$671,058,943	$1,002,599,785
Class B	$102,550,781	$161,621,962	$428,164,118	$552,240,985	$824,278,644
Class C	$103,265,625	$162,749,223	$431,149,723	$556,093,183	$830,027,909
Class D	$104,203,125	$164,227,597	$435,065,270	$561,145,246	$837,567,928
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$12,822,168	$9,250,836	$16,813,715	$15,381,996	$25,146,806
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$268,250,000	$282,220,795	$562,858,260	$581,714,890	$871,623,197
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.8%	3.3%	3.0%	2.6%	2.9%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.9%	1.3%	0.9%	0.7%	0.7%

BALANCE SHEET FOR ITFF
LESS RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$50,000,000	$78,639,316	$209,412,025	$273,753,579	$411,574,106
Loans and Advances	$150,000,000	$235,917,949	$628,236,074	$821,260,738	$1,234,722,317
Furnishings/Misc/Acct Rec	$1,000,000	$1,048,524	$2,094,120	$2,190,029	$3,292,593
Accrued Interest Rec.	$18,707,813	$28,673,392	$77,173,228	$99,285,432	$149,886,720
Total Assets	$219,707,813	$344,279,182	$916,915,448	$1,196,489,779	$1,799,475,736
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,048,524	$2,094,120	$2,190,029	$3,292,593
Time Deposits	$50,000,000	$104,852,422	$314,118,037	$438,005,727	$658,518,569
Borrowings	$50,000,000	$104,852,422	$314,118,037	$438,005,727	$658,518,569
Accrued Int. Payable	$8,506,250	$17,838,018	$53,439,331	$74,515,724	$112,030,472
Acct. Payable/Misc.	$3,375,000	$3,937,500	$8,268,750	$9,261,000	$12,458,939
Total Liabilities	$112,881,250	$232,528,886	$692,038,276	$961,978,207	$1,444,819,142
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,426,211	$4,706,012	$9,501,432	$14,629,642
Retained Earnings (cum)	$0	$2,426,211	$4,706,012	$9,501,432	$14,629,642
Result of Period	$6,826,563	$6,897,873	$15,465,147	$15,508,708	$25,397,310
Total Capital	$106,826,563	$111,750,295	$224,877,172	$234,511,572	$354,656,594
Total Liabilities & Capital	$219,707,813	$344,279,182	$916,915,448	$1,196,489,779	$1,799,475,736

PARAMETERS LESS RISK, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	0.52%	0.52%	0.52%	0.52%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.01%	1.01%	1.01%	1.01%	1.01%

ASSET ALLOCATION WORKSHEET
LESS RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$235,917,949	$628,236,074	$821,260,738	$1,234,722,317
short term	$112,500,000	$176,938,462	$471,177,056	$615,945,554	$926,041,738
med term	$37,500,000	$58,979,487	$157,059,019	$205,315,185	$308,680,579
new med. term	$37,500,000	$21,479,487	$98,079,531	$48,256,166	$103,365,395
SHORT TERM (plus interest earnings).					
Class A	$61,171,875	$96,210,289	$256,202,324	$334,920,395	$503,535,195
Class B	$36,871,875	$57,991,581	$154,428,280	$201,876,155	$303,510,180
Class C	$24,750,000	$38,926,462	$103,658,952	$135,508,022	$203,729,182
Class D	$0	$0	$0	$0	$0
MED TERM (plus interest and fee earnings)					
Class A	$31,289,063	$48,648,510	$130,161,426	$168,953,972	$254,475,631
Class B	$10,500,000	$16,326,756	$43,681,628	$56,702,957	$85,403,986
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL LOAN ASSETS	$164,582,813	$258,103,597	$688,132,810	$897,961,500	$1,350,654,174
FORFAIT MRKT					
Short term					
Class A	$14,062,500	$22,117,308	$58,897,132	$76,993,194	$115,755,217
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$7,031,250	$4,027,404	$18,389,912	$9,048,031	$19,381,012
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$21,093,750	$26,144,712	$77,287,044	$86,041,225	$135,136,229
TOTAL VOLUME ASSETS/FORFAIT	$185,676,563	$284,248,309	$765,419,855	$984,002,726	$1,485,790,403

OVERHEAD, BASE CASE LESS RISK, LOW CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	5	6	8
Chief Credit Officer	1	1	1	1	1
Assistants	2	2	6	7	9
Treasurer	1	1	1	1	1
Assistants	2	3	7	8	10
Chief of Operations	1	1	1	1	1
Staff	5	5	10	10	12
General Staff	12	13	27	29	37
Total Number (n)	27	30	60	64	82
Salary Multiplier =					
$125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,375,000	$3,937,500	$8,268,750	$9,261,000	$12,458,939

BALANCE SHEET FOR ITFF
LESS RISK, HIGH CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$125,000,000	$197,090,479	$524,783,658	$686,910,098	$1,032,415,022
Loans and Advances	$375,000,000	$591,271,436	$1,574,350,975	$2,060,730,293	$3,097,245,067
Furnishings/Misc/Acct Rec	$2,500,000	$2,627,873	$5,247,837	$5,495,281	$8,259,320
Accrued Interest Rec.	$46,769,531	$71,867,634	$193,394,729	$249,139,951	$375,980,882
Total Assets	$549,269,531	$862,857,421	$2,297,777,199	$3,002,275,623	$4,513,900,291
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,627,873	$5,247,837	$5,495,281	$8,259,320
Time Deposits	$125,000,000	$262,787,305	$787,175,488	$1,099,056,156	$1,651,864,035
Borrowings	$125,000,000	$262,787,305	$787,175,488	$1,099,056,156	$1,651,864,035
Accrued Int. Payable	$21,265,625	$44,706,690	$133,918,230	$186,976,929	$281,023,369
Acct. Payable/Misc.	$7,500,000	$9,056,250	$19,707,188	$22,284,281	$30,235,718
Total Liabilities	$281,265,625	$581,965,423	$1,733,224,229	$2,412,868,803	$3,623,246,478
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$6,393,652	$12,391,829	$24,764,039	$37,966,009
Retained Earnings (cum)	$0	$6,393,652	$12,391,829	$24,764,039	$37,966,009
Result of Period	$18,003,906	$18,104,694	$39,769,311	$39,878,742	$64,721,795
Total Capital	$268,003,906	$280,891,999	$564,552,970	$589,406,820	$890,653,812
Total Liabilities & Capital	$549,269,531	$862,857,421	$2,297,777,199	$3,002,275,623	$4,513,900,291

INCOME STATEMENT FOR ITFF
LESS RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,487,744	$17,276,492	$22,584,670	$33,954,864
Interest Income, Loans	$13,832,813	$21,756,058	$57,935,145	$75,735,639	$113,864,549
Fee Income (2% new med term)	$750,000	$1,179,590	$3,141,180	$4,106,304	$6,173,612
Trading Inc.(.25%ST + 1%MT)	$105,469	$95,567	$331,142	$282,963	$483,198
Total Income	$18,813,281	$29,518,959	$78,683,960	$102,709,576	$154,476,222
Interest Expense, Time Dep.	$4,000,000	$8,388,194	$25,129,443	$35,040,458	$52,681,486
Interest Expense, Borrowings	$4,506,250	$9,449,825	$28,309,888	$39,475,266	$59,348,986
Total Int. Expense	$8,506,250	$17,838,018	$53,439,331	$74,515,724	$112,030,472
Net Interest Income	$10,307,031	$11,680,941	$25,244,629	$28,193,852	$42,445,751
Overhead Expense	$3,375,000	$3,937,500	$8,268,750	$9,261,000	$12,458,939
Loan Loss Expense	$0	$1,229,722	$3,274,681	$4,280,822	$6,435,990
Net Income Before Taxes	$6,932,031	$6,513,718	$13,701,198	$14,652,030	$23,550,821
Tax Rate = 30%	$2,079,609	$1,954,116	$4,110,359	$4,395,609	$7,065,246
Net Income	$4,852,422	$4,559,603	$9,590,839	$10,256,421	$16,485,575

RESULTS OF SENSITIVITY ANALYSIS
LESS RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$185,676,563	$284,248,309	$765,419,855	$984,002,726	$1,485,790,403
Class A	$113,554,688	$171,003,510	$463,650,995	$589,915,592	$893,147,054
Class B	$47,371,875	$74,318,337	$198,109,908	$258,579,112	$388,914,166
Class C	$24,750,000	$38,926,462	$103,658,952	$135,508,022	$203,729,182
Class D	$0	$0	$0	$0	$0
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$4,852,422	$4,559,603	$9,590,839	$10,256,421	$16,485,575
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$106,826,563	$111,750,295	$224,877,172	$234,511,572	$354,656,594
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.5%	4.1%	4.3%	4.4%	4.6%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.6%	1.6%	1.3%	1.0%	1.1%

PARAMETERS:
LESS RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	50.0%	50.0%	50.0%	50.0%	50.0%
Class B Share	30.0%	30.0%	30.0%	30.0%	30.0%
Class C Share	20.0%	20.0%	20.0%	20.0%	20.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Maturity Profile - Medium term					
Class A Share	75.0%	75.0%	75.0%	75.0%	75.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	0.0%	0.0%	0.0%	0.0%	0.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Share of total loans					
Class A Share	56.3%	56.3%	56.3%	56.3%	56.3%
Class B Share	28.8%	28.8%	28.8%	28.8%	28.8%
Class C Share	15.0%	15.0%	15.0%	15.0%	15.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	1.2%	1.2%	1.2%	1.2%	1.2%

PARAMETERS
LESS RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	0.52%	0.52%	0.52%	0.52%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.01%	1.01%	1.01%	1.01%	1.01%

INCOME STATEMENT FOR ITFF
LESS RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$16,259,964	$43,294,652	$56,670,083	$85,174,239
Interest Income, Loans	$34,582,031	$54,526,313	$145,184,679	$190,037,972	$285,624,068
Fee Income (2% new med term)	$1,875,000	$2,956,357	$7,871,755	$10,303,651	$15,486,225
Trading Inc.(.25%ST + 1%MT)	$263,672	$239,956	$829,807	$710,974	$1,211,783
Total Income	$47,033,203	$73,982,591	$197,180,893	$257,722,680	$387,496,316
Interest Expense, Time Dep.	$10,000,000	$21,022,984	$62,974,039	$87,924,493	$132,149,123
Interest Expense, Borrowings	$11,265,625	$23,683,706	$70,944,191	$99,052,436	$148,874,246
Total Int. Expense	$21,265,625	$44,706,690	$133,918,230	$186,976,929	$281,023,369
Net Interest Income	$25,767,578	$29,275,901	$63,262,663	$70,745,752	$106,472,947
Overhead Expense	$7,500,000	$9,056,250	$19,707,188	$22,284,281	$30,235,718
Loan Loss Expense	$0	$3,082,002	$8,206,304	$10,741,557	$16,144,390
Net Income Before Taxes	$18,267,578	$17,137,648	$35,349,171	$37,719,914	$60,092,839
Tax Rate = 30%	$5,480,273	$5,141,294	$10,604,751	$11,315,974	$18,027,852
Net Income	$12,787,305	$11,996,354	$24,744,420	$26,403,940	$42,064,988

RESULTS OF SENSITIVITY ANALYSIS
LESS RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$464,191,406	$712,448,526	$1,918,128,310	$2,469,192,657	$3,727,005,064
Class A	$283,886,719	$428,626,579	$1,161,899,770	$1,480,335,712	$2,240,386,833
Class B	$118,429,688	$186,262,160	$496,460,628	$648,836,447	$975,572,795
Class C	$61,875,000	$97,559,787	$259,767,911	$340,020,498	$511,045,436
Class D	$0	$0	$0	$0	$0
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$12,787,305	$11,996,354	$24,744,420	$26,403,940	$42,064,988
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$268,003,906	$280,891,999	$564,552,970	$589,406,820	$890,653,812
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.8%	4.3%	4.4%	4.5%	4.7%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.8%	1.7%	1.3%	1.1%	1.1%

BALANCE SHEET FOR ITFF
HIGHER SPREADS, LOW CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$50,000,000	$80,562,744	$215,000,110	$290,428,218	$441,546,372
Loans and Advances	$150,000,000	$241,688,232	$645,000,331	$871,284,653	$1,324,639,116
Furnishings/Misc/Acct Rec	$1,000,000	$1,074,170	$2,150,001	$2,323,426	$3,532,371
Accrued Interest Rec.	$22,734,375	$35,880,873	$96,549,421	$128,829,079	$196,409,193
Total Assets	$223,734,375	$359,206,019	$958,699,864	$1,292,865,375	$1,966,127,051
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,074,170	$2,150,001	$2,323,426	$3,532,371
Time Deposits	$50,000,000	$107,416,992	$322,500,165	$464,685,148	$706,474,195
Borrowings	$50,000,000	$107,416,992	$322,500,165	$464,685,148	$706,474,195
Accrued Int. Payable	$8,929,688	$19,184,003	$57,596,514	$82,989,863	$126,171,876
Acct. Payable/Misc.	$3,250,000	$3,937,500	$8,268,750	$9,550,406	$13,066,692
Total Liabilities	$113,179,688	$239,029,658	$713,015,596	$1,024,233,992	$1,555,719,329
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$3,708,496	$7,500,055	$16,171,287	$26,618,549
Retained Earnings (cum)	$0	$3,708,496	$7,500,055	$16,171,287	$26,618,549
Result of Period	$10,554,688	$12,759,369	$30,684,158	$36,288,809	$57,170,625
Total Capital	$110,554,688	$120,176,361	$245,684,268	$268,631,383	$410,407,722
Total Liabilities & Capital	$223,734,375	$359,206,019	$958,699,864	$1,292,865,375	$1,966,127,051

ASSET ALLOCATION WORKSHEET
LESS RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$591,271,436	$1,574,350,975	$2,060,730,293	$3,097,245,067
short term	$281,250,000	$443,453,577	$1,180,763,232	$1,545,547,720	$2,322,933,800
med term	$93,750,000	$147,817,859	$393,587,744	$515,182,573	$774,311,267
new med. term	$93,750,000	$54,067,859	$245,769,885	$121,594,829	$259,128,693
SHORT TERM (plus interest earnings)					
Class A	$152,929,688	$241,127,882	$642,040,007	$840,391,573	$1,263,095,254
Class B	$92,179,688	$145,341,910	$386,995,149	$506,553,265	$761,341,553
Class C	$61,875,000	$97,559,787	$259,767,911	$340,020,498	$511,045,436
Class D	$0	$0	$0	$0	$0
MED TERM (plus interest and fee earnings)					
Class A	$78,222,656	$121,929,276	$326,182,506	$423,951,643	$638,338,224
Class B	$26,250,000	$40,920,250	$109,465,479	$142,283,182	$214,231,242
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL LOAN ASSETS	$411,457,031	$646,879,105	$1,724,451,052	$2,253,200,161	$3,388,051,709
FORFAIT MRKT					
Short term					
Class A	$35,156,250	$55,431,697	$147,595,404	$193,193,465	$290,366,725
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$17,578,125	$10,137,724	$46,081,853	$22,799,031	$48,586,630
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$52,734,375	$65,569,421	$193,677,257	$215,992,495	$338,953,355
TOTAL VOLUME ASSETS/FORFAIT	$464,191,406	$712,448,526	$1,918,128,310	$2,469,192,657	$3,727,005,064

OVERHEAD, BASE CASE
LESS RISK, HIGH CAPITALIZATION

	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	5	6	14	15	21
Chief Credit Officer	1	1	1	1	1
Assistants	5	6	15	17	23
Treasurer	1	1	1	1	1
Assistants	5	7	17	19	26
Chief of Operations	1	1	1	1	1
Staff	12	12	24	25	31
General Staff	29	32	69	73	93
Total Number (n)	60	69	143	154	199
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,500,000	$9,056,250	$19,707,188	$22,284,281	$30,235,718

Scenario 5: Higher Spreads on Loans

Interest Income - Short-term: Class A LIBOR plus 1.5%
Class B LIBOR plus 2.5%
Class C LIBOR plus 4%
Class D LIBOR plus 6%

Medium-term: Class A LIBOR plus 2.5% and 2% flat
Class B LIBOR plus 4% and 2% flat
Class C LIBOR plus 6% and 2% flat
Class D LIBOR plus 8% and 2% flat

PARAMETERS
HIGHER SPREADS, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	1.5%	1.5%	1.5%	1.5%	1.5%
Class B	2.5%	2.5%	2.5%	2.5%	2.5%
Class C	4.0%	4.0%	4.0%	4.0%	4.0%
Class D	6.0%	6.0%	6.0%	6.0%	6.0%
Spread over LIBOR - Medium term					
Class A	2.5%	2.5%	2.5%	2.5%	2.5%
Class B	4.0%	4.0%	4.0%	4.0%	4.0%
Class C	6.0%	6.0%	6.0%	6.0%	6.0%
Class D	8.0%	8.0%	8.0%	8.0%	8.0%
Weighted avg spread, total loans	3.9%	3.9%	3.9%	3.9%	3.9%

PARAMETERS HIGHER SPREADS, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
HIGHER SPREADS, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,646,426	$17,737,509	$23,960,328	$36,427,576
Interest Income, Loans	$17,859,375	$28,776,005	$76,795,352	$103,737,329	$157,714,845
Fee Income (2% new med term)	$750,000	$1,208,441	$3,225,002	$4,356,423	$6,623,196
Trading Inc.(.25%ST + 1%MT)	$41,016	$42,649	$138,603	$137,461	$226,068
Total Income	$22,775,391	$36,673,522	$97,896,466	$132,191,541	$200,991,684
Interest Expense, Time Dep.	$4,000,000	$8,593,359	$25,800,013	$37,174,812	$56,517,936
Interest Expense, Borrowings	$4,929,688	$10,590,644	$31,796,501	$45,815,051	$69,653,940
Total Int. Expense	$8,929,688	$19,184,003	$57,596,514	$82,989,863	$126,171,876
Net Interest Income	$13,845,703	$17,489,518	$40,299,952	$49,201,678	$74,819,808
Overhead Expense	$3,250,000	$3,937,500	$8,268,750	$9,550,406	$13,066,692
Loan Loss Expense	$0	$2,718,993	$7,256,254	$9,801,952	$14,902,190
Net Income Before Taxes	$10,595,703	$10,833,026	$24,774,948	$29,849,319	$46,850,926
Tax Rate = 30%	$3,178,711	$3,249,908	$7,432,485	$8,954,796	$14,055,278
Net Income	$7,416,992	$7,583,118	$17,342,464	$20,894,523	$32,795,648

RESULTS OF SENSITIVITY ANALYSIS
HIGHER SPREADS, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$177,984,375	$283,684,443	$760,348,385	$1,020,530,564	$1,553,796,855
Class A	$50,718,750	$79,189,584	$214,012,248	$283,718,743	$433,190,672
Class B	$41,765,625	$67,107,567	$179,290,169	$241,792,070	$367,740,098
Class C	$42,375,000	$68,089,426	$181,910,483	$245,331,664	$373,121,444
Class D	$43,125,000	$69,297,867	$185,135,485	$249,688,087	$379,744,640
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$7,416,992	$7,583,118	$17,342,464	$20,894,523	$32,795,648
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$110,554,688	$120,176,361	$245,684,268	$268,631,383	$410,407,722
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	6.7%	6.3%	7.1%	7.8%	8.0%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	4.2%	2.7%	2.3%	2.0%	2.1%

ASSET ALLOCATION WORKSHEET
HIGHER SPREADS, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$241,688,232	$645,000,331	$871,284,653	$1,324,639,116
short term	$112,500,000	$181,266,174	$483,750,248	$653,463,490	$993,479,337
med term	$37,500,000	$60,422,058	$161,250,083	$217,821,163	$331,159,779
new med. term	$37,500,000	$22,922,058	$100,828,025	$56,571,081	$113,338,616
SHORT TERM (plus interest earnings)					
Class A	$30,796,875	$49,621,615	$132,426,630	$178,885,630	$271,964,968
Class B	$31,078,125	$50,074,781	$133,636,006	$180,519,289	$274,448,667
Class C	$31,500,000	$50,754,529	$135,450,069	$182,969,777	$278,174,214
Class D	$32,062,500	$51,660,860	$137,868,821	$186,237,095	$283,141,611
MED TERM (plus interest and fee earnings)					
Class A	$10,546,875	$16,806,204	$45,049,475	$60,455,952	$92,049,582
Class B	$10,687,500	$17,032,787	$45,654,163	$61,272,781	$93,291,431
Class C	$10,875,000	$17,334,897	$46,460,414	$62,361,887	$94,947,230
Class D	$11,062,500	$17,637,007	$47,266,664	$63,450,993	$96,603,029
SUB TOTAL LOAN ASSETS	$168,609,375	$270,922,679	$723,812,243	$976,153,404	$1,484,620,733
FORFAIT MRKT					
Short term					
Class A	$7,031,250	$11,329,136	$30,234,391	$40,841,468	$62,092,459
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$2,343,750	$1,432,629	$6,301,752	$3,535,693	$7,083,663
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$9,375,000	$12,761,765	$36,536,142	$44,377,161	$69,176,122
TOTAL VOLUME ASSETS/FORFAIT	$177,984,375	$283,684,443	$760,348,385	$1,020,530,564	$1,553,796,855

OVERHEAD, BASE CASE HIGHER SPREADS, LOW CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	5	6	9
Chief Credit Officer	1	1	1	1	1
Assistants	2	2	6	7	10
Treasurer	1	1	1	1	1
Assistants	2	3	7	8	11
Chief of Operations	1	1	1	1	1
Staff	4	5	10	10	13
General Staff	11	13	27	30	39
Total Number (n)	26	30	60	66	86
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,250,000	$3,937,500	$8,268,750	$9,550,406	$13,066,692

BALANCE SHEET FOR ITFF
HIGHER SPREADS, HIGH CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$125,000,000	$201,866,235	$538,814,950	$728,855,386	$1,107,741,339
Loans and Advances	$375,000,000	$605,598,706	$1,616,444,850	$2,186,566,158	$3,323,224,016
Furnishings/Misc/Acct Rec	$2,500,000	$2,691,550	$5,388,150	$5,830,843	$8,861,931
Accrued Interest Rec.	$56,835,938	$89,911,054	$241,964,429	$323,319,209	$492,743,309
Total Assets	$559,335,938	$900,067,545	$2,402,612,379	$3,244,571,596	$4,932,570,595
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,691,550	$5,388,150	$5,830,843	$8,861,931
Time Deposits	$125,000,000	$269,154,980	$808,222,425	$1,166,168,618	$1,772,386,142
Borrowings	$125,000,000	$269,154,980	$808,222,425	$1,166,168,618	$1,772,386,142
Accrued Int. Payable	$22,324,219	$48,069,397	$144,343,474	$208,270,427	$316,537,088
Acct. Payable/Misc.	$7,250,000	$8,925,000	$19,569,375	$23,007,797	$31,603,163
Total Liabilities	$282,074,219	$597,995,908	$1,785,745,848	$2,569,446,302	$3,901,774,465
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$9,577,490	$19,407,475	$41,542,154	$68,096,536
Retained Earnings (cum)	$0	$9,577,490	$19,407,475	$41,542,154	$68,096,536
Result of Period	$27,261,719	$32,916,657	$78,051,580	$92,040,986	$144,603,059
Total Capital	$277,261,719	$302,071,637	$616,866,530	$675,125,294	$1,030,796,130
Total Liabilities & Capital	$559,335,938	$900,067,545	$2,402,612,379	$3,244,571,596	$4,932,570,595

PARAMETERS HIGHER SPREADS, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	1.5%	1.5%	1.5%	1.5%	1.5%
Class B	2.5%	2.5%	2.5%	2.5%	2.5%
Class C	4.0%	4.0%	4.0%	4.0%	4.0%
Class D	6.0%	6.0%	6.0%	6.0%	6.0%
Spread over LIBOR - Medium term					
Class A	2.5%	2.5%	2.5%	2.5%	2.5%
Class B	4.0%	4.0%	4.0%	4.0%	4.0%
Class C	6.0%	6.0%	6.0%	6.0%	6.0%
Class D	8.0%	8.0%	8.0%	8.0%	8.0%
Weighted avg spread, total loans	3.9%	3.9%	3.9%	3.9%	3.9%

ASSET ALLOCATION WORKSHEET
HIGHER SPREADS, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$605,598,706	$1,616,444,850	$2,186,566,158	$3,323,224,016
short term	$281,250,000	$454,199,030	$1,212,333,638	$1,639,924,619	$2,492,418,012
med term	$93,750,000	$151,399,677	$404,111,213	$546,641,540	$830,806,004
new med. term	$93,750,000	$57,649,677	$252,711,536	$142,530,327	$284,164,465
SHORT TERM (plus interest earnings)					
Class A	$76,992,188	$124,336,984	$331,876,333	$448,929,364	$682,299,431
Class B	$77,695,313	$125,472,482	$334,907,167	$453,029,176	$688,530,476
Class C	$78,750,000	$127,175,728	$339,453,419	$459,178,893	$697,877,043
Class D	$80,156,250	$129,446,723	$345,515,087	$467,378,516	$710,339,134
MED TERM (plus interest and fee earnings)					
Class A	$26,367,188	$42,112,409	$112,899,280	$151,722,377	$230,930,981
Class B	$26,718,750	$42,680,158	$114,414,697	$153,772,283	$234,046,503
Class C	$27,187,500	$43,437,156	$116,435,253	$156,505,490	$238,200,533
Class D	$27,656,250	$44,194,155	$118,455,809	$159,238,698	$242,354,564
SUB TOTAL LOAN ASSETS	$421,523,438	$678,855,796	$1,813,957,046	$2,449,754,798	$3,724,578,665
FORFAIT MRKT					
Short term					
Class A	$17,578,125	$28,387,439	$75,770,852	$102,495,289	$155,776,126
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$5,859,375	$3,603,105	$15,794,471	$8,908,145	$17,760,279
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$23,437,500	$31,990,544	$91,565,323	$111,403,434	$173,536,405
TOTAL VOLUME ASSETS/FORFAIT	$444,960,938	$710,846,340	$1,905,522,369	$2,561,158,232	$3,898,115,070

OVERHEAD, BASE CASE HIGHER SPREADS, HIGH CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	4	6	14	16	22
Chief Credit Officer	1	1	1	1	1
Assistants	4	6	15	18	24
Treasurer	1	1	1	1	1
Assistants	5	7	17	20	27
Chief of Operations	1	1	1	1	1
Staff	11	12	24	26	32
General Staff	28	32	68	75	97
Total Number (n)	58	68	142	159	208
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,250,000	$8,925,000	$19,569,375	$23,007,797	$31,603,163

Scenario 6: Greater Use of A Forfait Market

Use of a forfait market - 50% of loans to Class A countries
25% of loans to Class B countries
earn 0.25% on short-term business
earn 1% on medium-term business

PARAMETERS
HIGHER SPREADS, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
HIGHER SPREADS, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$16,653,964	$44,452,233	$60,130,569	$91,388,660
Interest Income, Loans	$44,648,438	$72,104,096	$192,457,965	$260,338,033	$395,671,359
Fee Income (2% new med term)	$1,875,000	$3,027,994	$8,082,224	$10,932,831	$16,616,120
Trading Inc.(.25%ST + 1%MT)	$102,539	$107,000	$347,372	$345,320	$567,043
Total Income	$56,938,477	$91,893,054	$245,339,794	$331,746,753	$504,243,183
Interest Expense, Time Dep.	$10,000,000	$21,532,398	$64,657,794	$93,293,489	$141,790,891
Interest Expense, Borrowings	$12,324,219	$26,536,999	$79,685,680	$114,976,937	$174,746,196
Total Int. Expense	$22,324,219	$48,069,397	$144,343,474	$208,270,427	$316,537,088
Net Interest Income	$34,614,258	$43,823,656	$100,996,321	$123,476,326	$187,706,096
Overhead Expense	$7,250,000	$8,925,000	$19,569,375	$23,007,797	$31,603,163
Loan Loss Expense	$0	$6,812,985	$18,185,005	$24,598,869	$37,386,270
Net Income Before Taxes	$27,364,258	$28,085,671	$63,241,941	$75,869,660	$118,716,663
Tax Rate = 30%	$8,209,277	$8,425,701	$18,972,582	$22,760,898	$35,614,999
Net Income	$19,154,980	$19,659,970	$44,269,359	$53,108,762	$83,101,664

RESULTS OF SENSITIVITY ANALYSIS
HIGHER SPREADS, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$444,960,938	$710,846,340	$1,905,522,369	$2,561,158,232	$3,898,115,070
Class A	$126,796,875	$198,439,937	$536,340,937	$712,055,175	$1,086,766,817
Class B	$104,414,063	$168,152,640	$449,321,865	$606,801,459	$922,576,979
Class C	$105,937,500	$170,612,884	$455,888,672	$615,684,384	$936,077,577
Class D	$107,812,500	$173,640,878	$463,970,896	$626,617,214	$952,693,697
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$19,154,980	$19,659,970	$44,269,359	$53,108,762	$83,101,664
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$277,261,719	$302,071,637	$616,866,530	$675,125,294	$1,030,796,130
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	6.9%	6.5%	7.2%	7.9%	8.1%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	4.3%	2.8%	2.3%	2.1%	2.1%

BALANCE SHEET FOR ITFF
FORFAIT, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$50,000,000	$78,936,475	$209,259,168	$271,745,639	$406,802,352
Loans and Advances	$150,000,000	$236,809,424	$627,777,503	$815,236,917	$1,220,407,057
Furnishings/Misc/Acct Rec	$1,000,000	$1,052,486	$2,092,592	$2,173,965	$3,254,419
Accrued Interest Rec.	$19,804,688	$30,516,244	$81,702,201	$104,497,862	$157,055,685
Total Assets	$220,804,688	$347,314,629	$920,831,463	$1,193,654,383	$1,787,519,512
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,052,486	$2,092,592	$2,173,965	$3,254,419
Time Deposits	$50,000,000	$105,248,633	$313,888,751	$434,793,023	$650,883,764
Borrowings	$50,000,000	$105,248,633	$313,888,751	$434,793,023	$650,883,764
Accrued Int. Payable	$8,929,688	$18,796,748	$56,058,569	$77,651,316	$116,243,772
Acct. Payable/Misc.	$3,500,000	$4,200,000	$8,544,375	$9,695,109	$12,914,754
Total Liabilities	$113,429,688	$234,546,500	$694,473,039	$959,106,436	$1,434,180,472
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,624,316	$4,629,584	$8,698,256	$12,720,941
Retained Earnings (cum)	$0	$2,624,316	$4,629,584	$8,698,256	$12,720,941
Result of Period	$7,375,000	$7,519,496	$17,099,257	$17,151,436	$27,897,159
Total Capital	$107,375,000	$112,768,129	$226,358,425	$234,547,947	$353,339,040
Total Liabilities & Capital	$220,804,688	$347,314,629	$920,831,463	$1,193,654,383	$1,787,519,512

PARAMETERS
FORFAIT, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
FORFAIT, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$236,809,424	$627,777,503	$815,236,917	$1,220,407,057
short term	$112,500,000	$177,607,068	$470,833,127	$611,427,688	$915,305,293
med term	$37,500,000	$59,202,356	$156,944,376	$203,809,229	$305,101,764
new med. term	$37,500,000	$21,702,356	$97,742,020	$46,864,854	$101,292,535
SHORT TERM (plus interest earnings)					
Class A	$30,585,938	$48,286,922	$128,007,756	$166,231,903	$248,848,626
Class B	$30,726,563	$48,508,930	$128,596,298	$166,996,187	$249,992,758
Class C	$30,937,500	$48,841,944	$129,479,110	$168,142,614	$251,708,955
Class D	$31,218,750	$49,285,961	$130,656,193	$169,671,183	$253,997,219
MED TERM (plus interest and fee earnings)					
Class A	$10,429,688	$16,278,155	$43,354,143	$55,899,720	$83,837,382
Class B	$10,500,000	$16,389,160	$43,648,413	$56,281,862	$84,409,448
Class C	$10,593,750	$16,537,166	$44,040,774	$56,791,385	$85,172,202
Class D	$10,687,500	$16,685,171	$44,433,135	$57,300,908	$85,934,957
SUB TOTAL LOAN ASSETS	$165,679,688	$260,813,409	$692,215,823	$897,315,764	$1,343,901,547
FORFAIT MRKT					
Short term					
Class A	$14,062,500	$22,200,883	$58,854,141	$76,428,461	$114,413,162
Class B	$7,031,250	$11,100,442	$29,427,070	$38,214,230	$57,206,581
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$4,687,500	$2,712,794	$12,217,752	$5,858,107	$12,661,567
Class B	$2,343,750	$1,356,397	$6,108,876	$2,929,053	$6,330,783
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$28,125,000	$37,370,517	$106,607,840	$123,429,852	$190,612,093
TOTAL VOLUME ASSETS/FORFAIT	$193,804,688	$298,183,926	$798,823,663	$1,020,745,615	$1,534,513,640

OVERHEAD, BASE CASE FORFAIT, LOW CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	6	6	9
Chief Credit Officer	1	1	1	1	1
Assistants	2	3	6	7	10
Treasurer	1	1	1	1	1
Assistants	2	3	7	8	11
Chief of Operations	1	1	1	1	1
Staff	5	5	10	10	13
General Staff	12	14	29	30	38
Total Number (n)	28	32	62	67	85
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,500,000	$4,200,000	$8,544,375	$9,695,109	$12,914,754

PARAMETERS
FORFAIT, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	50.0%	50.0%	50.0%	50.0%	50.0%
Class B	25.0%	25.0%	25.0%	25.0%	25.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	50.0%	50.0%	50.0%	50.0%	50.0%
Class B	25.0%	25.0%	25.0%	25.0%	25.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
FORFAIT, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,512,259	$17,263,881	$22,419,015	$33,561,194
Interest Income, Loans	$14,929,688	$23,569,938	$62,483,480	$81,141,549	$121,468,640
Fee Income (2% new med term)	$750,000	$1,184,047	$3,138,888	$4,076,185	$6,102,035
Trading Inc.(.25%ST + 1%MT)	$123,047	$123,945	$403,969	$374,478	$618,973
Total Income	$19,927,734	$31,390,189	$83,290,218	$108,011,228	$161,750,842
Interest Expense, Time Dep.	$4,000,000	$8,419,891	$25,111,100	$34,783,442	$52,070,701
Interest Expense, Borrowings	$4,929,688	$10,376,857	$30,947,469	$42,867,875	$64,173,071
Total Int. Expense	$8,929,688	$18,796,748	$56,058,569	$77,651,316	$116,243,772
Net Interest Income	$10,998,047	$12,593,441	$27,231,649	$30,359,911	$45,507,070
Overhead Expense	$3,500,000	$4,200,000	$8,544,375	$9,695,109	$12,914,754
Loan Loss Expense	$0	$2,664,106	$7,062,497	$9,171,415	$13,729,579
Net Income Before Taxes	$7,498,047	$5,729,335	$11,624,777	$11,493,386	$18,862,737
Tax Rate = 30%	$2,249,414	$1,718,801	$3,487,433	$3,448,016	$5,658,821
Net Income	$5,248,633	$4,010,535	$8,137,344	$8,045,371	$13,203,916

RESULTS OF SENSITIVITY ANALYSIS
FORFAIT, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$193,804,688	$298,183,926	$798,823,663	$1,020,745,615	$1,534,513,640
Class A	$59,765,625	$89,478,755	$242,433,793	$304,418,190	$459,760,737
Class B	$50,601,563	$77,354,929	$207,780,658	$264,421,333	$397,939,570
Class C	$41,531,250	$65,379,109	$173,519,884	$224,934,000	$336,881,158
Class D	$41,906,250	$65,971,133	$175,089,328	$226,972,092	$339,932,175
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$5,248,633	$4,010,535	$8,137,344	$8,045,371	$13,203,916
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$107,375,000	$112,768,129	$226,358,425	$234,547,947	$353,339,040
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.9%	3.6%	3.6%	3.4%	3.7%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.7%	1.3%	1.0%	0.8%	0.9%

BALANCE SHEET FOR ITFF
FORFAIT, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$125,000,000	$197,800,562	$524,536,154	$681,940,064	$1,020,834,556
Loans and Advances	$375,000,000	$593,401,685	$1,573,608,463	$2,045,820,193	$3,062,503,667
Furnishings/Misc/Acct Rec	$2,500,000	$2,637,341	$5,245,362	$5,455,521	$8,166,676
Accrued Interest Rec.	$49,511,719	$76,472,566	$204,798,484	$262,244,155	$394,117,086
Total Assets	$552,011,719	$870,312,153	$2,308,188,463	$2,995,459,933	$4,485,621,986
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,637,341	$5,245,362	$5,455,521	$8,166,676
Time Deposits	$125,000,000	$263,734,082	$786,804,232	$1,091,104,103	$1,633,335,289
Borrowings	$125,000,000	$263,734,082	$786,804,232	$1,091,104,103	$1,633,335,289
Accrued Int. Payable	$22,324,219	$47,101,259	$140,518,318	$194,864,373	$291,703,474
Acct. Payable/Misc.	$7,875,000	$9,450,000	$20,534,063	$23,007,797	$31,147,348
Total Liabilities	$282,699,219	$586,656,764	$1,739,906,206	$2,405,535,897	$3,597,688,077
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$6,867,041	$12,268,077	$22,776,026	$33,333,822
Retained Earnings (cum)	$0	$6,867,041	$12,268,077	$22,776,026	$33,333,822
Result of Period	$19,312,500	$19,921,307	$43,746,103	$44,371,985	$71,266,264
Total Capital	$269,312,500	$283,655,389	$568,282,258	$589,924,036	$887,933,909
Total Liabilities & Capital	$552,011,719	$870,312,153	$2,308,188,463	$2,995,459,933	$4,485,621,986

PARAMETERS FORFAIT, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	50.0%	50.0%	50.0%	50.0%	50.0%
Class B	25.0%	25.0%	25.0%	25.0%	25.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	50.0%	50.0%	50.0%	50.0%	50.0%
Class B	25.0%	25.0%	25.0%	25.0%	25.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF FORFAIT, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$16,318,546	$43,274,233	$56,260,055	$84,218,851
Interest Income, Loans	$37,324,219	$59,062,011	$156,623,217	$203,623,041	$304,814,818
Fee Income (2% new med term)	$1,875,000	$2,967,008	$7,868,042	$10,229,101	$15,312,518
Trading Inc.(.25%ST + 1%MT)	$307,617	$310,994	$1,012,694	$940,583	$1,553,232
Total Income	$49,819,336	$78,658,560	$208,778,186	$271,052,780	$405,899,419
Interest Expense, Time Dep.	$10,000,000	$21,098,727	$62,944,339	$87,288,328	$130,666,823
Interest Expense, Borrowings	$12,324,219	$26,002,532	$77,573,980	$107,576,045	$161,036,651
Total Int. Expense	$22,324,219	$47,101,259	$140,518,318	$194,864,373	$291,703,474
Net Interest Income	$27,495,117	$31,557,301	$68,259,868	$76,188,407	$114,195,945
Overhead Expense	$7,875,000	$9,450,000	$20,534,063	$23,007,797	$31,147,348
Loan Loss Expense	$0	$6,675,769	$17,703,095	$23,015,477	$34,453,166
Net Income Before Taxes	$19,620,117	$15,431,532	$30,022,710	$30,165,133	$48,595,431
Tax Rate = 30%	$5,886,035	$4,629,460	$9,006,813	$9,049,540	$14,578,629
Net Income	$13,734,082	$10,802,072	$21,015,897	$21,115,593	$34,016,802

RESULTS OF SENSITIVITY ANALYSIS
FORFAIT, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$484,511,719	$747,240,395	$2,002,368,598	$2,561,632,683	$3,850,723,519
Class A	$149,414,063	$224,245,984	$607,699,067	$763,989,208	$1,153,727,149
Class B	$126,503,906	$193,852,225	$520,833,327	$663,590,013	$998,593,256
Class C	$103,828,125	$163,829,341	$434,951,091	$564,469,455	$845,373,428
Class D	$104,765,625	$165,312,846	$438,885,112	$569,584,006	$853,029,687
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$13,734,082	$10,802,072	$21,015,897	$21,115,593	$34,016,802
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$269,312,500	$283,655,389	$568,282,258	$589,924,036	$887,933,909
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	5.1%	3.8%	3.7%	3.6%	3.8%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.8%	1.4%	1.0%	0.8%	0.9%

PARAMETERS FORFAIT, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET FORFAIT, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$593,401,685	$1,573,608,463	$2,045,820,193	$3,062,503,667
short term	$281,250,000	$445,051,263	$1,180,206,348	$1,534,365,145	$2,296,877,750
med term	$93,750,000	$148,350,421	$393,402,116	$511,455,048	$765,625,917
new med. term	$93,750,000	$54,600,421	$245,051,695	$118,052,932	$254,170,868
SHORT TERM (plus interest earnings)					
Class A	$76,464,844	$120,998,312	$320,868,601	$417,155,524	$624,463,638
Class B	$76,816,406	$121,554,626	$322,343,859	$419,073,480	$627,334,736
Class C	$77,343,750	$122,389,097	$324,556,746	$421,950,415	$631,641,381
Class D	$78,046,875	$123,501,726	$327,507,261	$425,786,328	$637,383,576
MED TERM (plus interest and fee earnings)					
Class A	$26,074,219	$40,791,211	$108,673,211	$140,281,425	$210,382,433
Class B	$26,250,000	$41,069,368	$109,410,840	$141,240,403	$211,817,981
Class C	$26,484,375	$41,440,244	$110,394,346	$142,519,041	$213,732,046
Class D	$26,718,750	$41,811,120	$111,377,851	$143,797,678	$215,646,111
SUB TOTAL LOAN ASSETS	$414,199,219	$653,555,704	$1,735,132,715	$2,251,804,293	$3,372,401,903
FORFAIT MRKT					
Short term					
Class A	$35,156,250	$55,631,408	$147,525,793	$191,795,643	$287,109,719
Class B	$17,578,125	$27,815,704	$73,762,897	$95,897,822	$143,554,859
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$11,718,750	$6,825,053	$30,631,462	$14,756,617	$31,771,359
Class B	$5,859,375	$3,412,526	$15,315,731	$7,378,308	$15,885,679
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$70,312,500	$93,684,691	$267,235,883	$309,828,390	$478,321,616
TOTAL VOLUME ASSETS/FORFAIT	$484,511,719	$747,240,395	$2,002,368,598	$2,561,632,683	$3,850,723,519

OVERHEAD, BASE CASE FORFAIT, HIGH CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	5	6	14	16	21
Chief Credit Officer	1	1	1	1	1
Assistants	5	6	15	18	24
Treasurer	1	1	1	1	1
Assistants	6	7	17	20	27
Chief of Operations	1	1	1	1	1
Staff	12	12	25	26	32
General Staff	30	34	72	75	96
Total Number (n)	63	72	149	159	205
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,875,000	$9,450,000	$20,534,063	$23,007,797	$31,147,348

Scenario 7: Higher LIBOR

LIBOR - 12.0%

BALANCE SHEET FOR ITFF
HIGHER LIBOR, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$50,000,000	$81,059,033	$215,335,265	$287,268,092	$431,198,823
Loans and Advances	$150,000,000	$243,177,100	$646,005,796	$861,804,275	$1,293,596,468
Furnishings/Misc/Acct Rec	$1,000,000	$1,080,787	$2,153,353	$2,298,145	$3,449,591
Accrued Interest Rec.	$27,804,688	$44,326,422	$118,530,710	$156,517,961	$235,477,949
Total Assets	$228,804,688	$369,643,342	$982,025,124	$1,307,888,473	$1,963,722,830
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,080,787	$2,153,353	$2,298,145	$3,449,591
Time Deposits	$50,000,000	$108,078,711	$323,002,898	$459,628,947	$689,918,116
Borrowings	$50,000,000	$108,078,711	$323,002,898	$459,628,947	$689,918,116
Accrued Int. Payable	$12,929,688	$27,948,479	$83,526,531	$118,857,173	$178,408,513
Acct. Payable/Misc.	$3,375,000	$4,068,750	$8,406,563	$9,695,109	$12,914,754
Total Liabilities	$117,304,688	$249,255,438	$740,092,242	$1,050,108,320	$1,574,609,090
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$4,039,355	$7,667,633	$14,907,237	$22,479,529
Retained Earnings (cum)	$0	$4,039,355	$7,667,633	$14,907,237	$22,479,529
Result of Period	$11,500,000	$12,309,193	$26,597,617	$27,965,679	$44,154,682
Total Capital	$111,500,000	$120,387,904	$241,932,882	$257,780,152	$389,113,740
Total Liabilities & Capital	$228,804,688	$369,643,342	$982,025,124	$1,307,888,473	$1,963,722,830

PARAMETERS
HIGHER LIBOR, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
HIGHER LIBOR, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$6,125,000	$9,929,732	$26,378,570	$35,190,341	$52,821,856
Interest Income, Loans	$20,929,688	$33,930,805	$90,137,996	$120,248,628	$180,497,132
Fee Income (2% new med term)	$750,000	$1,215,885	$3,230,029	$4,309,021	$6,467,982
Trading Inc.(.25%ST + 1%MT)	$41,016	$43,056	$138,646	$134,711	$219,061
Total Income	$27,845,703	$45,119,478	$119,885,241	$159,882,702	$240,006,031
Interest Expense, Time Dep.	$6,000,000	$12,969,445	$38,760,348	$55,155,474	$82,790,174
Interest Expense, Borrowings	$6,929,688	$14,979,034	$44,766,183	$63,701,699	$95,618,339
Total Int. Expense	$12,929,688	$27,948,479	$83,526,531	$118,857,173	$178,408,513
Net Interest Income	$14,916,016	$17,170,999	$36,358,710	$41,025,529	$61,597,518
Overhead Expense	$3,375,000	$4,068,750	$8,406,563	$9,695,109	$12,914,754
Loan Loss Expense	$0	$2,735,742	$7,267,565	$9,695,298	$14,552,960
Net Income Before Taxes	$11,541,016	$10,366,506	$20,684,583	$21,635,121	$34,129,804
Tax Rate = 30%	$3,462,305	$3,109,952	$6,205,375	$6,490,536	$10,238,941
Net Income	$8,078,711	$7,256,555	$14,479,208	$15,144,585	$23,890,863

PARAMETERS HIGHER LIBOR, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	12.00%	12.00%	12.00%	12.00%	12.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term	25.0%	25.0%	25.0%	25.0%	25.0%
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
HIGHER LIBOR, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$243,177,100	$646,005,796	$861,804,275	$1,293,596,468
short term	$112,500,000	$182,382,825	$484,504,347	$646,353,206	$970,197,351
med term	$37,500,000	$60,794,275	$161,501,449	$215,451,069	$323,399,117
new med. term	$37,500,000	$23,294,275	$100,707,174	$53,949,620	$107,948,048
SHORT TERM (plus interest earnings)					
Class A	$31,710,938	$51,409,159	$136,569,663	$182,190,810	$273,474,378
Class B	$31,851,563	$51,637,137	$137,175,293	$182,998,752	$274,687,125
Class C	$32,062,500	$51,979,105	$138,083,739	$184,210,664	$276,506,245
Class D	$32,343,750	$52,435,062	$139,295,000	$185,826,547	$278,931,738
MED TERM (plus interest and fee earnings)					
Class A	$10,804,688	$17,328,850	$46,228,634	$61,269,332	$92,102,115
Class B	$10,875,000	$17,442,840	$46,531,449	$61,673,303	$92,708,489
Class C	$10,968,750	$17,594,825	$46,935,202	$62,211,930	$93,516,986
Class D	$11,062,500	$17,746,811	$47,338,956	$62,750,558	$94,325,484
SUB TOTAL LOAN ASSETS	$171,679,688	$277,573,790	$738,157,936	$983,131,895	$1,476,252,561
FORFAIT MRKT					
Short term					
Class A	$7,031,250	$11,398,927	$30,281,522	$40,397,075	$60,637,334
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$2,343,750	$1,455,892	$6,294,198	$3,371,851	$6,746,753
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$9,375,000	$12,854,819	$36,575,720	$43,768,927	$67,384,087
TOTAL VOLUME ASSETS/FORFAIT	$181,054,688	$290,428,609	$774,733,656	$1,026,900,822	$1,543,636,649

OVERHEAD, BASE CASE HIGHER LIBOR, LOW CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	6	6	9
Chief Credit Officer	1	1	1	1	1
Assistants	2	3	6	7	10
Treasurer	1	1	1	1	1
Assistants	2	3	7	8	11
Chief of Operations	1	1	1	1	1
Staff	5	5	10	10	13
General Staff	11	13	28	30	39
Total Number (n)	27	31	61	67	85
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,375,000	$4,068,750	$8,406,563	$9,695,109	$12,914,754

RESULTS OF SENSITIVITY ANALYSIS
HIGHER LIBOR, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$181,054,688	$290,428,609	$774,733,656	$1,026,900,822	$1,543,636,649
Class A	$51,890,625	$81,592,828	$219,374,017	$287,229,069	$432,960,581
Class B	$42,726,563	$69,079,977	$183,706,742	$244,672,054	$367,395,614
Class C	$43,031,250	$69,573,930	$185,018,941	$246,422,594	$370,023,231
Class D	$43,406,250	$70,181,873	$186,633,956	$248,577,105	$373,257,223
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$8,078,711	$7,256,555	$14,479,208	$15,144,585	$23,890,863
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$111,500,000	$120,387,904	$241,932,882	$257,780,152	$389,113,740
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	7.2%	6.0%	6.0%	5.9%	6.1%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	4.5%	2.5%	1.9%	1.5%	1.5%

PARAMETERS
HIGHER LIBOR, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	12.00%	12.00%	12.00%	12.00%	12.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	75.0%	75.0%	75.0%	75.0%	75.0%
% Medium-term Loans	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Short term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Maturity Profile - Medium term					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Share of total loans					
Class A Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class D Share	25.0%	25.0%	25.0%	25.0%	25.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	2.0%	2.0%	2.0%	2.0%	2.0%

ASSET ALLOCATION WORKSHEET
HIGHER LIBOR, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$609,616,187	$1,619,521,875	$2,163,752,686	$3,246,964,966
short term	$281,250,000	$457,212,140	$1,214,641,406	$1,622,814,514	$2,435,223,725
med term	$93,750,000	$152,404,047	$404,880,469	$540,938,171	$811,741,242
new med. term	$93,750,000	$58,654,047	$252,476,422	$136,057,703	$270,803,070
SHORT TERM (plus interest earnings)					
Class A	$79,277,344	$128,876,672	$342,377,046	$457,430,841	$686,428,687
Class B	$79,628,906	$129,448,187	$343,895,348	$459,459,359	$689,472,717
Class C	$80,156,250	$130,305,460	$346,172,801	$462,502,137	$694,038,762
Class D	$80,859,375	$131,448,490	$349,209,404	$466,559,173	$700,126,821
MED TERM (plus interest and fee earnings)					
Class A	$27,011,719	$43,442,666	$115,894,165	$153,833,408	$231,178,254
Class B	$27,187,500	$43,728,424	$116,653,316	$154,847,667	$232,700,269
Class C	$27,421,875	$44,109,434	$117,665,517	$156,200,013	$234,729,622
Class D	$27,656,250	$44,490,444	$118,677,718	$157,552,358	$236,758,975
SUB TOTAL LOAN ASSETS	$429,199,219	$695,849,776	$1,850,545,315	$2,468,384,957	$3,705,434,108
FORFAIT MRKT					
Short term					
Class A	$17,578,125	$28,575,759	$75,915,088	$101,425,907	$152,201,483
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$5,859,375	$3,665,878	$15,779,776	$8,503,606	$16,925,192
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$23,437,500	$32,241,637	$91,694,864	$109,929,514	$169,126,675
TOTAL VOLUME ASSETS/FORFAIT	$452,636,719	$728,091,413	$1,942,240,179	$2,578,314,470	$3,874,560,783

OVERHEAD, BASE CASE HIGHER LIBOR, HIGH CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	5	6	14	16	22
Chief Credit Officer	1	1	1	1	1
Assistants	5	6	15	18	24
Treasurer	1	1	1	1	1
Assistants	5	7	17	20	27
Chief of Operations	1	1	1	1	1
Staff	11	12	24	26	32
General Staff	28	33	69	76	97
Total Number (n)	59	70	144	160	207
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,375,000	$9,187,500	$19,845,000	$23,152,500	$31,451,224

BALANCE SHEET FOR ITFF
HIGHER LIBOR, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$125,000,000	$203,205,396	$539,840,625	$721,250,895	$1,082,321,655
Loans and Advances	$375,000,000	$609,616,187	$1,619,521,875	$2,163,752,686	$3,246,964,966
Furnishings/Misc/Acct Rec	$2,500,000	$2,709,405	$5,398,406	$5,770,007	$8,658,573
Accrued Interest Rec.	$69,511,719	$111,126,250	$297,153,917	$392,985,506	$591,053,545
Total Assets	$572,011,719	$926,657,238	$2,461,914,823	$3,283,759,094	$4,928,998,739
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,709,405	$5,398,406	$5,770,007	$8,658,573
Time Deposits	$125,000,000	$270,940,527	$809,760,937	$1,154,001,432	$1,731,714,649
Borrowings	$125,000,000	$270,940,527	$809,760,937	$1,154,001,432	$1,731,714,649
Accrued Int. Payable	$32,324,219	$70,063,527	$209,399,117	$298,417,558	$447,810,585
Acct. Payable/Misc.	$7,375,000	$9,187,500	$19,845,000	$23,152,500	$31,451,224
Total Liabilities	$292,199,219	$623,841,487	$1,854,164,399	$2,635,342,930	$3,951,349,680
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$10,470,264	$19,920,312	$38,500,358	$57,928,662
Retained Earnings (cum)	$0	$10,470,264	$19,920,312	$38,500,358	$57,928,662
Result of Period	$29,812,500	$31,875,223	$67,909,799	$71,415,448	$111,791,735
Total Capital	$279,812,500	$302,815,751	$607,750,424	$648,416,164	$977,649,060
Total Liabilities & Capital	$572,011,719	$926,657,238	$2,461,914,823	$3,283,759,094	$4,928,998,739

PARAMETERS * HIGHER LIBOR, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	1.13%	1.13%	1.13%	1.13%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	1.86%	1.86%	1.86%	1.86%	1.86%

INCOME STATEMENT FOR ITFF
HIGHER LIBOR, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$15,312,500	$24,892,661	$66,130,477	$88,353,235	$132,584,403
Interest Income, Loans	$52,324,219	$85,060,509	$225,973,912	$301,911,117	$453,053,080
Fee Income (2% new med term)	$1,875,000	$3,048,081	$8,097,609	$10,818,763	$16,234,825
Trading Inc.(.25%ST + 1%MT)	$102,539	$108,098	$347,585	$338,601	$549,756
Total Income	$69,614,258	$113,109,349	$300,549,583	$401,421,716	$602,422,064
Interest Expense, Time Dep.	$15,000,000	$32,512,863	$97,171,312	$138,480,172	$207,805,758
Interest Expense, Borrowings	$17,324,219	$37,550,664	$112,227,805	$159,937,386	$240,004,827
Total Int. Expense	$32,324,219	$70,063,527	$209,399,117	$298,417,558	$447,810,585
Net Interest Income	$37,290,039	$43,045,822	$91,150,466	$103,004,158	$154,611,479
Overhead Expense	$7,375,000	$9,187,500	$19,845,000	$23,152,500	$31,451,224
Loan Loss Expense	$0	$6,858,182	$18,219,621	$24,342,218	$36,528,356
Net Income Before Taxes	$29,915,039	$27,000,139	$53,085,845	$55,509,440	$86,631,899
Tax Rate = 30%	$8,974,512	$8,100,042	$15,925,753	$16,652,832	$25,989,570
Net Income	$20,940,527	$18,900,098	$37,160,091	$38,856,608	$60,642,329

RESULTS OF SENSITIVITY ANALYSIS
HIGHER LIBOR, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$452,636,719	$728,091,413	$1,942,240,179	$2,578,314,470	$3,874,560,783
Class A	$129,726,563	$204,560,975	$549,966,075	$721,193,763	$1,086,733,616
Class B	$106,816,406	$173,176,611	$460,548,664	$614,307,027	$922,172,986
Class C	$107,578,125	$174,414,894	$463,838,318	$618,702,149	$928,768,384
Class D	$108,515,625	$175,938,934	$467,887,122	$624,111,531	$936,885,796
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$20,940,527	$18,900,098	$37,160,091	$38,856,608	$60,642,329
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$279,812,500	$302,815,751	$607,750,424	$648,416,164	$977,649,060
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	7.5%	6.2%	6.1%	6.0%	6.2%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	4.6%	2.6%	1.9%	1.5%	1.6%

Scenario 8: Shorter Maturities and Less Risk

Combination of Scenarios 3 and 4

PARAMETERS· MATURITY, RISK, LOW CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	95.0%	95.0%	95.0%	95.0%	95.0%
% Medium-term Loans	5.0%	5.0%	5.0%	5.0%	5.0%
Maturity Profile - Short term					
Class A Share	50.0%	50.0%	50.0%	50.0%	50.0%
Class B Share	30.0%	30.0%	30.0%	30.0%	30.0%
Class C Share	20.0%	20.0%	20.0%	20.0%	20.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Maturity Profile - Medium term					
Class A Share	75.0%	75.0%	75.0%	75.0%	75.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	0.0%	0.0%	0.0%	0.0%	0.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Share of total loans					
Class A Share	51.3%	51.3%	51.3%	51.3%	51.3%
Class B Share	29.8%	29.8%	29.8%	29.8%	29.8%
Class C Share	19.0%	19.0%	19.0%	19.0%	19.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	1.2%	1.2%	1.2%	1.2%	1.2%

ASSET ALLOCATION WORKSHEET
MATURITY, RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$150,000,000	$234,786,902	$624,203,863	$808,041,139	$1,210,244,499
short term	$142,500,000	$223,047,557	$592,993,670	$767,639,082	$1,149,732,274
med term	$7,500,000	$11,739,345	$31,210,193	$40,402,057	$60,512,225
new med. term	$7,500,000	$4,239,345	$19,470,848	$9,191,864	$20,110,168
SHORT TERM (plus interest earnings)					
Class A	$77,484,375	$121,282,109	$322,440,308	$417,403,751	$625,166,924
Class B	$46,704,375	$73,103,837	$194,353,675	$251,593,709	$376,824,753
Class C	$31,350,000	$49,070,463	$130,458,607	$168,880,598	$252,941,100
Class D	$0	$0	$0	$0	$0
MED TERM (plus interest and fee earnings)					
Class A	$6,257,813	$9,682,516	$25,864,915	$33,242,313	$49,883,857
Class B	$2,100,000	$3,249,517	$8,680,157	$11,156,525	$16,741,413
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL LOAN ASSETS	$163,896,563	$256,388,441	$681,797,663	$882,276,896	$1,321,558,046
FORFAIT MRKT					
Short term					
Class A	$17,812,500	$27,880,945	$74,124,209	$95,954,885	$143,716,534
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$1,406,250	$794,877	$3,650,784	$1,723,474	$3,770,656
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$19,218,750	$28,675,822	$77,774,993	$97,678,360	$147,487,191
TOTAL VOLUME ASSETS/FORFAIT	$183,115,313	$285,064,263	$759,572,655	$979,955,256	$1,469,045,237

BALANCE SHEET FOR ITFF
MATURITY, RISK, LOW CAPITALIZATION

ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Due from Banks & MM	$50,000,000	$78,262,301	$208,067,954	$269,347,046	$403,414,833
Loans and Advances	$150,000,000	$234,786,902	$624,203,863	$808,041,139	$1,210,244,499
Furnishings/Misc/Acct Rec	$1,000,000	$1,043,497	$2,080,680	$2,154,776	$3,227,319
Accrued Interest Rec.	$18,021,563	$28,058,179	$74,759,406	$96,456,889	$144,595,271
Total Assets	$219,021,563	$342,150,879	$909,111,903	$1,175,999,850	$1,761,481,922
LIABILITIES AND CAPITAL					
Demand Deposits	$1,000,000	$1,043,497	$2,080,680	$2,154,776	$3,227,319
Time Deposits	$50,000,000	$104,349,734	$312,101,931	$430,955,274	$645,463,733
Borrowings	$50,000,000	$104,349,734	$312,101,931	$430,955,274	$645,463,733
Accrued Int. Payable	$8,491,250	$17,721,194	$53,002,711	$73,186,979	$109,615,878
Acct. Payable/Misc.	$3,375,000	$3,937,500	$8,130,938	$9,261,000	$12,307,001
Total Liabilities	$112,866,250	$231,401,660	$687,418,191	$946,513,304	$1,416,077,663
Paid in Capital	$100,000,000	$100,000,000	$200,000,000	$200,000,000	$300,000,000
Reserves (cum)	$0	$2,174,867	$4,033,977	$7,738,819	$11,365,933
Retained Earnings (cum)	$0	$2,174,867	$4,033,977	$7,738,819	$11,365,933
Result of Period	$6,155,313	$6,399,485	$13,625,758	$14,008,909	$22,672,392
Total Capital	$106,155,313	$110,749,220	$221,693,712	$229,486,546	$345,404,258
Total Liabilities & Capital	$219,021,563	$342,150,879	$909,111,903	$1,175,999,850	$1,761,481,922

PARAMETERS
MATURITY, RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	0.56%	0.56%	0.56%	0.56%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	0.98%	0.98%	0.98%	0.98%	0.98%

INCOME STATEMENT FOR ITFF
MATURITY, RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$4,125,000	$6,456,640	$17,165,606	$22,221,131	$33,281,724
Interest Income, Loans	$13,746,563	$21,516,752	$57,204,383	$74,051,920	$110,911,344
Fee Income (2% new med term)	$150,000	$234,787	$624,204	$808,041	$1,210,244
Trading Inc.(.25%ST + 1%MT)	$58,594	$77,651	$221,818	$257,122	$396,998
Total Income	$18,080,156	$28,285,830	$75,216,011	$97,338,215	$145,800,310
Interest Expense, Time Dep.	$4,000,000	$8,347,979	$24,968,155	$34,476,422	$51,637,099
Interest Expense, Borrowings	$4,491,250	$9,373,215	$28,034,556	$38,710,557	$57,978,780
Total Int. Expense	$8,491,250	$17,721,194	$53,002,711	$73,186,979	$109,615,878
Net Interest Income	$9,588,906	$10,564,636	$22,213,301	$24,151,235	$36,184,432
Overhead Expense	$3,375,000	$3,937,500	$8,130,938	$9,261,000	$12,307,001
Loan Loss Expense	$0	$1,315,394	$3,497,102	$4,527,050	$6,780,395
Net Income Before Taxes	$6,213,906	$5,311,743	$10,585,261	$10,363,185	$17,097,036
Tax Rate = 30%	$1,864,172	$1,593,523	$3,175,578	$3,108,955	$5,129,111
Net Income	$4,349,734	$3,718,220	$7,409,683	$7,254,229	$11,967,925

OVERHEAD, BASE CASE MATURITY, RISK, LOW CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	2	2	5	6	8
Chief Credit Officer	1	1	1	1	1
Assistants	2	2	6	7	9
Treasurer	1	1	1	1	1
Assistants	2	3	7	8	10
Chief of Operations	1	1	1	1	1
Staff	5	5	9	10	12
General Staff	11	13	27	29	37
Total Number (n)	27	30	59	64	81
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$3,375,000	$3,937,500	$8,130,938	$9,261,000	$12,307,001

BALANCE SHEET FOR ITFF
MATURITY, RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Due from Banks & MM	$125,000,000	$196,147,939	$521,418,165	$675,689,432	$1,011,893,358
Loans and Advances	$375,000,000	$588,443,818	$1,564,254,496	$2,027,068,297	$3,035,680,073
Furnishings/Misc/Acct Rec	$2,500,000	$2,615,306	$5,214,182	$5,405,515	$8,095,147
Accrued Interest Rec.	$45,053,906	$70,322,847	$187,346,957	$241,975,332	$362,690,920
Total Assets	$547,553,906	$857,529,911	$2,278,233,800	$2,950,138,577	$4,418,359,497
LIABILITIES AND CAPITAL					
Demand Deposits	$2,500,000	$2,615,306	$5,214,182	$5,405,515	$8,095,147
Time Deposits	$125,000,000	$261,530,586	$782,127,248	$1,081,103,092	$1,619,029,372
Borrowings	$125,000,000	$261,530,586	$782,127,248	$1,081,103,092	$1,619,029,372
Accrued Int. Payable	$21,228,125	$44,414,432	$132,824,760	$183,598,333	$274,951,663
Acct. Payable/Misc.	$7,500,000	$9,056,250	$19,569,375	$22,139,578	$29,931,841
Total Liabilities	$281,228,125	$579,147,159	$1,721,862,812	$2,373,349,609	$3,551,037,396
Paid in Capital	$250,000,000	$250,000,000	$500,000,000	$500,000,000	$750,000,000
Reserves (cum)	$0	$5,765,293	$10,709,083	$20,275,773	$29,757,343
Retained Earnings (cum)	$0	$5,765,293	$10,709,083	$20,275,773	$29,757,343
Result of Period	$16,325,781	$16,852,165	$34,952,822	$36,237,422	$57,807,415
Total Capital	$266,325,781	$278,382,751	$556,370,988	$576,788,967	$867,322,101
Total Liabilities & Capital	$547,553,906	$857,529,911	$2,278,233,800	$2,950,138,577	$4,418,359,497

PARAMETERS MATURITY, RISK, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Proportion of loans in each class placed in a forfait market					
Short term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Medium term					
Class A	25.0%	25.0%	25.0%	25.0%	25.0%
Class B	0.0%	0.0%	0.0%	0.0%	0.0%
Class C	0.0%	0.0%	0.0%	0.0%	0.0%
Class D	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Losses, % of total loans to class					
Class A	0.00%	0.30%	0.30%	0.30%	0.30%
Class B	0.00%	0.60%	0.60%	0.60%	0.60%
Class C	0.00%	1.20%	1.20%	1.20%	1.20%
Class D	0.00%	2.40%	2.40%	2.40%	2.40%
Loan losses, % total loans	0.00%	0.56%	0.56%	0.56%	0.56%
Borrowing spread associated with each class					
Short term					
Class A Share	0.75%	0.75%	0.75%	0.75%	0.75%
Class B Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class C Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class D Share	3.00%	3.00%	3.00%	3.00%	3.00%
Medium term					
Class A Share	1.00%	1.00%	1.00%	1.00%	1.00%
Class B Share	1.50%	1.50%	1.50%	1.50%	1.50%
Class C Share	3.00%	3.00%	3.00%	3.00%	3.00%
Class D Share	5.50%	5.50%	5.50%	5.50%	5.50%
Aggregate borrowing cost	0.98%	0.98%	0.98%	0.98%	0.98%

INCOME STATEMENT FOR ITFF
MATURITY, RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Income, Banks & MM	$10,312,500	$16,182,205	$43,016,999	$55,744,378	$83,481,202
Interest Income, Loans	$34,366,406	$53,927,198	$143,354,148	$185,768,140	$278,201,106
Fee Income (2% new med term)	$375,000	$588,444	$1,564,254	$2,027,068	$3,035,680
Trading Inc.(.25%ST + 1%MT)	$146,484	$194,705	$555,870	$645,175	$995,775
Total Income	$45,200,391	$70,892,552	$188,491,271	$244,184,761	$365,713,763
Interest Expense, Time Dep.	$10,000,000	$20,922,447	$62,570,180	$86,488,247	$129,522,350
Interest Expense, Borrowings	$11,228,125	$23,491,985	$70,254,580	$97,110,08[illegible]	$145,429,313
Total Int. Expense	$21,228,125	$44,414,432	$132,824,760	$183,598,333	$274,951,663
Net Interest Income	$23,972,266	$26,478,120	$55,666,512	$60,586,429	$90,762,100
Overhead Expense	$7,500,000	$9,056,250	$19,569,375	$22,139,578	$29,931,841
Loan Loss Expense	$0	$3,296,756	$8,763,736	$11,356,650	$17,007,398
Net Income Before Taxes	$16,472,266	$14,125,113	$27,333,401	$27,090,201	$43,822,860
Tax Rate = 30%	$4,941,680	$4,237,534	$8,200,020	$8,127,060	$13,146,858
Net Income	$11,530,586	$9,887,579	$19,133,380	$18,963,140	$30,676,002

RESULTS OF SENSITIVITY ANALYSIS
MATURITY, RISK, LOW CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$183,115,313	$285,064,263	$759,572,655	$979,955,256	$1,469,045,237
Class A	$102,960,938	$159,640,447	$426,080,215	$548,324,424	$822,537,971
Class B	$48,804,375	$76,353,354	$203,033,833	$262,750,234	$393,566,165
Class C	$31,350,000	$49,070,463	$130,458,607	$168,880,598	$252,941,100
Class D	$0	$0	$0	$0	$0
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$4,349,734	$3,718,220	$7,409,683	$7,254,229	$11,967,925
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$106,155,313	$110,749,220	$221,693,712	$229,486,546	$345,404,258
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.1%	3.4%	3.3%	3.2%	3.5%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.4%	1.3%	1.0%	0.7%	0.8%

PARAMETERS
MATURITY, RISK, HIGH CAPITALIZATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Asset Leverage (x:1)	2	3	4	5	5
LIBOR	8.00%	8.00%	8.00%	8.00%	8.00%
% Capital as Time Deposits	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Borrowings	50.0%	50.0%	50.0%	50.0%	50.0%
% Capital as Assets in Banks and MM	25.0%	25.0%	25.0%	25.0%	25.0%
% Capital as loans and advances	75.0%	75.0%	75.0%	75.0%	75.0%
% Capital as Furnishings/Misc/Acct Rec	1.0%	1.0%	1.0%	1.0%	1.0%
% Short-term Loans	95.0%	95.0%	95.0%	95.0%	95.0%
% Medium-term Loans	5.0%	5.0%	5.0%	5.0%	5.0%
Maturity Profile - Short term					
Class A Share	50.0%	50.0%	50.0%	50.0%	50.0%
Class B Share	30.0%	30.0%	30.0%	30.0%	30.0%
Class C Share	20.0%	20.0%	20.0%	20.0%	20.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Maturity Profile - Medium term					
Class A Share	75.0%	75.0%	75.0%	75.0%	75.0%
Class B Share	25.0%	25.0%	25.0%	25.0%	25.0%
Class C Share	0.0%	0.0%	0.0%	0.0%	0.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Share of total loans					
Class A Share	51.3%	51.3%	51.3%	51.3%	51.3%
Class B Share	29.8%	29.8%	29.8%	29.8%	29.8%
Class C Share	19.0%	19.0%	19.0%	19.0%	19.0%
Class D Share	0.0%	0.0%	0.0%	0.0%	0.0%
Spread over LIBOR - Short term					
Class A	0.8%	0.8%	0.8%	0.8%	0.8%
Class B	1.3%	1.3%	1.3%	1.3%	1.3%
Class C	2.0%	2.0%	2.0%	2.0%	2.0%
Class D	3.0%	3.0%	3.0%	3.0%	3.0%
Spread over LIBOR - Medium term					
Class A	1.3%	1.3%	1.3%	1.3%	1.3%
Class B	2.0%	2.0%	2.0%	2.0%	2.0%
Class C	3.0%	3.0%	3.0%	3.0%	3.0%
Class D	4.0%	4.0%	4.0%	4.0%	4.0%
Weighted avg spread, total loans	1.2%	1.2%	1.2%	1.2%	1.2%

ASSET ALLOCATION WORKSHEET MATURITY, RISK, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Loans Available from Capital	$375,000,000	$588,443,818	$1,564,254,496	$2,027,068,297	$3,035,680,073
short term	$356,250,000	$559,021,627	$1,486,041,771	$1,925,714,882	$2,883,896,070
med term	$18,750,000	$29,422,191	$78,212,725	$101,353,415	$151,784,004
new med. term	$18,750,000	$10,672,191	$48,790,534	$23,140,690	$50,430,589
SHORT TERM (plus interest earnings)					
Class A	$193,710,938	$303,968,010	$808,035,213	$1,047,107,467	$1,568,118,488
Class B	$116,760,938	$183,219,338	$487,050,190	$631,153,053	$945,196,937
Class C	$78,375,000	$122,984,758	$326,929,190	$423,657,274	$634,457,135
Class D	$0	$0	$0	$0	$0
MED TERM (plus interest and fee earnings)					
Class A	$15,644,531	$24,267,891	$64,817,409	$83,393,565	$125,124,477
Class B	$5,250,000	$8,144,463	$21,752,452	$27,987,893	$41,992,754
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL LOAN ASSETS	$409,741,406	$642,584,460	$1,708,584,455	$2,213,299,251	$3,314,889,791
FORFAIT MRKT					
Short term					
Class A	$44,531,250	$69,877,703	$185,755,221	$240,714,360	$360,487,009
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
Medium term					
Class A	$3,515,625	$2,001,036	$9,148,225	$4,338,879	$9,455,735
Class B	$0	$0	$0	$0	$0
Class C	$0	$0	$0	$0	$0
Class D	$0	$0	$0	$0	$0
SUB TOTAL FORFAIT	$48,046,875	$71,878,739	$194,903,446	$245,053,240	$369,942,744
TOTAL VOLUME ASSETS/FORFAIT	$457,788,281	$714,463,200	$1,903,487,901	$2,458,352,490	$3,684,832,535

OVERHEAD, BASE CASE MATURITY, RISK, HIGH CAPITALIZATION	YEAR 1 Quantity	YEAR 2 Quantity	YEAR 3 Quantity	YEAR 4 Quantity	YEAR 5 Quantity
CEO	1	1	1	1	1
Chief Lending Officer	1	1	1	1	1
Assistants	5	6	14	15	20
Chief Credit Officer	1	1	1	1	1
Assistants	5	6	15	17	23
Treasurer	1	1	1	1	1
Assistants	5	7	17	19	25
Chief of Operations	1	1	1	1	1
Staff	11	12	24	25	31
General Staff	29	32	68	72	92
Total Number (n)	60	69	142	153	197
Salary Multiplier = $125,000 + 5% per annum	$125,000	$131,250	$137,813	$144,703	$151,938
Overhead (n x multiplier)	$7,500,000	$9,056,250	$19,569,375	$22,139,578	$29,931,841

RESULTS OF SENSITIVITY ANALYSIS MATURITY, RISK, HIGH CAPITALIZATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Class A	$50,390,625	$77,110,788	$207,239,142	$264,088,677	$397,486,788
Class B	$41,226,563	$64,970,800	$172,527,261	$223,956,751	$335,466,921
Class C	$41,531,250	$65,452,357	$173,804,525	$225,617,726	$337,953,765
Class D	$41,906,250	$66,045,042	$175,376,542	$227,662,004	$341,014,495
New Case Total	$457,788,281	$714,463,200	$1,903,487,901	$2,458,352,490	$3,684,832,535
Class A	$257,402,344	$400,114,640	$1,067,756,069	$1,375,554,271	$2,063,185,709
Class B	$122,010,938	$191,363,802	$508,802,642	$659,140,945	$987,189,691
Class C	$78,375,000	$122,984,758	$326,929,190	$423,657,274	$634,457,135
Class D	$0	$0	$0	$0	$0
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
New Case	$11,530,586	$9,887,579	$19,133,380	$18,963,140	$30,676,002
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
New Case	$266,325,781	$278,382,751	$556,370,988	$576,788,967	$867,322,101
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
New Case	4.3%	3.6%	3.4%	3.3%	3.5%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
New Case	2.5%	1.4%	1.0%	0.8%	0.8%

EFFECT OF CAPITAL INCREMENTS

Each Increment Represents an Addition $100 million in First-year Paid-in Capital

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Assets/Forfait					
Base Case Total	$175,054,688	$273,578,987	$728,947,470	$941,325,158	$1,411,921,970
Increment 1	$350,109,375	$548,306,770	$1,460,793,569	$1,888,178,987	$2,831,918,831
Increment 2	$525,164,063	$823,034,554	$1,842,851,956	$2,385,796,948	$3,348,173,489
Increment 3	$700,218,750	$1,097,762,337	$2,224,588,680	$2,882,569,518	$3,863,534,594
Increment 4	$875,273,438	$1,372,719,879	$2,606,969,462	$3,380,616,900	$4,380,246,096
Net Income					
Base Case	$5,366,211	$4,236,037	$8,454,020	$8,421,653	$13,729,467
Increment 1	$11,169,922	$8,868,294	$17,349,409	$17,435,863	$28,010,348
Increment 2	$16,973,633	$13,592,426	$22,089,973	$22,168,802	$33,220,004
Increment 3	$22,777,344	$18,224,683	$26,727,940	$26,888,598	$38,415,677
Increment 4	$28,668,555	$22,954,559	$31,474,700	$31,628,242	$43,632,482
Total Capital					
Base Case	$107,625,000	$113,293,387	$227,433,229	$236,017,074	$355,569,177
Increment 1	$215,875,000	$227,601,108	$456,353,391	$474,196,119	$713,847,451
Increment 2	$324,125,000	$342,040,079	$576,140,020	$599,364,449	$844,136,928
Increment 3	$432,375,000	$456,347,800	$695,685,183	$724,312,863	$974,193,801
Increment 4	$540,750,000	$570,884,638	$815,576,025	$849,592,952	$1,104,602,201
Return on Total Capital					
Base Case	5.0%	3.7%	3.7%	3.6%	3.9%
Increment 1	5.2%	3.9%	3.8%	3.7%	3.9%
Increment 2	5.2%	4.0%	3.8%	3.7%	3.9%
Increment 3	5.3%	4.0%	3.8%	3.7%	3.9%
Increment 4	5.3%	4.0%	3.9%	3.7%	4.0%
Return on Total Earning Assets/Forfait					
Base Case	3.1%	1.5%	1.2%	0.9%	1.0%
Increment 1	3.2%	1.6%	1.2%	0.9%	1.0%
Increment 2	3.2%	1.7%	1.2%	0.9%	1.0%
Increment 3	3.3%	1.7%	1.2%	0.9%	1.0%
Increment 4	3.3%	1.7%	1.2%	0.9%	1.0%

Effect of Capital Increments